

MINUTES

Finance & Resources No 49

Date: 27/11/2024 (Wednesday)

Time: 18:00–20:00

Venue: Rural Business Centre

Committee: Finance and Resources

Present: David Hall, Jane Booker, Karen Dewhurst, Sue Collinge (Chair) and Wes Johnson (Principal)(part of time)

Attending: Janet Whiteside (Director of Finance), Joanne Sherrington (Vice Principal) and John Wherry (Deputy Principal)

Clerks: Ron Matthews (Clerk)

Public Minutes

Item number:
(and category)

37.24 *Attendance of College Management*

Decision Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states: *College management and/or consultants may attend meetings by invitation in an advisory capacity.*

Resolved: That College Management Staff and a representative of the Financial Statements Auditors attend the meeting.

38.24 *Apologies for Absence*

Record No apologies had been received all Committee Members being present. Due to an Ofsted Inspection taking place the Principal was only present for part of the meeting.

39.24 *Minutes of Previous Meetings*

Decision The public minutes of the Finance & Resources Committee meeting number 48 held on Tuesday 11 September 2024 (published on the extranet) were agreed and signed as a true and correct record of the meeting.

40.24 *Declarations of Interest*

Record There were no declarations of interest made in respect of items on the public agenda.

41.24 *Financial Statements Auditors Report and Financial Statements for the year Ended 31 July 2024 and the Audit Finding Report*

Decision The Committee considered the above documents which included the draft Findings Report for the year ended 31 July 2024 together with the draft Auditors Report & Financial Accounts for the same year. Eleanor Grazey, of RSM External Auditors, was in attendance and presented the reports.

The key points of the Audit Findings Report highlighted that:

- RSM had nothing to report in respect of additional audit, accounting and regularity issues identified during their audit and regularity work.
- there were two minor recommendations relating to the retention of expense receipts and the use of a suspense account. Management had provided an acceptable response to both issues.
- it gave a true and fair view of the state of the College's affairs as at 31 July 2024.

- the accounts had been prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

The Audit Findings Report had been considered previously by the Audit and Governance Committee.

The ESFA had conducted a funding audit this year and their report which would enable the accounts to be signed off, was still awaited. Reference was also made to the Emerging Issues paper produced by RSM.

The Committee thanked Karen for her presentation and work on the audit.

Resolved:

- 1. That the Committee recommend the reports to the Corporation for adoption.**
- 2. That the Emerging Issues paper be circulated to all Governors for information.**

42.24 *Financial Position Statement for the Period Ended 31 October 2024*

Decision The Committee considered the report of the Director of Finance on the financial performance of the College up to 31 October 2024. The Director took the Committee through the main financial variances from the original budget. The financial surplus of £214k was £76k behind budget, with cost savings still to be implemented. Apprenticeship income was behind budget with 58 apprentices still to be enrolled. Farm losses were greater than budget by £37k and the year-end forecast loss had increased by £44k to £186k, due in the main to increased costs.

Staff pay costs as a percentage of income stood at 61.2%, above the target of 59.8%. Cashflow from operating activities was currently below year-end required loan covenant ratios.

At period end both cash balances of £12.821m and 128 cash days remained very strong.

Current surplus and staff costs were below the FE Commissioner's financial benchmarking targets although the financial grade remained 'Outstanding'. The Vice Principal confirmed that FE numbers had held this year although there was concern regarding HE numbers being below budget forecast. The Deputy Principal, Resources, updated the Committee on the operation of the farm which included a review of future grant opportunities.

Following questions from Governors it was:

Resolved: That the report be received.

43.24 *ESFA Correspondence*

Decision The Committee considered a letter from the ESFA indicating that the College's Financial Health Grade for 2023/2024 was Good and that for the current year, based on the agreed budget, would also be Good.

Resolved: That the correspondence be noted.

44.24 *LGPS Update*

Decision The Vice Principal presented a report informing the Committee of the changes to the Local Government Pension Scheme. In November 2024 a guarantee was put in place to provide assurance to LGPS pension fund managers that FE bodies should not be treated as 'high-risk' employers. This guarantee ensures that in the event of the closure of an FE body in the statutory sector, any outstanding LGPS liabilities will not revert to the fund. LGPS cessation liabilities become due when an employer has no active members contributing to the pension fund. A note from the ESFA, attached to the report, confirmed the guarantee covered:

- FE corporations
- Sixth form college corporations
- Designated institutions which are bodies set up under the Further and Higher Education Act 1992 and are legally obliged to offer their non-teaching employees membership of the LGPS. This reduced the risks to pension scheme in colleges.

Resolved: That the report be received.

45.24 *FE Tuition Fees Policy 2025/2026*

Decision The Committee considered the Review of the Policy on FE Tuition Fees. The Director of Finance reported that there had been minimal changes to the policy following the major review last year.
The Committee then agreed the revised policy on FE Tuition Fees for 2025/2026.

Resolved: That the FE Tuition Fees Policy 2025/2026 be agreed.

46.24 *Overseas Visits Policy Review*

Decision The Vice Principal presented a report on a review of the Overseas Visits Policy. Only minor amendments to the policy were recommended and these were highlighted in the version circulated to the Committee.

Resolved: That the Overseas Visits Policy, as amended, be agreed.

47.24 *Statutory Risk Register*

Decision Members considered the elements of the Risk Register applicable to Finance & Resources Committee. Members noted that the risks identified were initially classed as 'Inherent Risks'. Actions taken to mitigate these risks resulted in 'Residual Risks'. The report also included the review of the College Risk Appetite and a definition of the scoring matrix. Failure to deliver quality improvements and achieve successful outcomes at Ofsted, reputational damage, inability to secure financial stability, partnership arrangements and cyber security remained high risks.

Resolved: That the report be received.

48.24 *Human Resources Report for the Period Ended 31 October 2024*

Decision The Committee considered the above report which contained an analysis of staff turnover, a breakdown analysis of leavers, staff stability index and staff sickness statistics for the year up to 31 October 2024.

The Committee noted that staff turnover, the percentage of workers who leave, was currently 20.62%; during the same 12 month period, 2022/2023, turnover stood at 18.1%. Management changes has resulted in some employees leaving the College due to redundancy. Recruitment continued to be a challenge. The team had supported 155 vacancies this quarter of which 23 had not been filled at the first attempt.

Long term sickness was shown to be 10 employees, a similar number as the same period last year and above the target of 6. The average number of working days lost due to sickness per employee this quarter was 1.42 days compared to 7.46 days for the same period last year.

The report also included details of staff restructure, training, service availability, staff wellness provisions and changes to the Occupational Health provider.

Resolved: That the report be received.

49.24 *Health and Safety Report for the Period Ended 31 October 2024*

Decision Members considered the Health and Safety Report for the period ended 31 October 2024 which provided an analysis of accident statistics over the period together with other Health and Safety activities, including policy updates and staff training.

Overall, accidents stood at 127, a decrease of 13 compared to the same period last year. There were 8 near misses and 2 RIDDOR reportable accidents during this period below the objective of less than 2.27%.

Of the 127 accidents: 18 were taken to hospital (24 last year) 77 received first aid treatment (84 last year) 32 needed no treatment (33 last year) The number requiring hospital treatment had decreased for the year compared to last year as had accidents requiring first aid. Analysis indicated that there were no identifiable trends and no areas for concern.

Resolved: That the report be received.

50.24 *Finance & Resources Committee Terms of Reference*

Decision In line with all Committees the Finance and Resources Committee reviewed its Terms of Reference to consider if they remained fit for purpose.

Resolved: The Committee concluded that its Terms of Reference remained fit for purpose.

