

MINUTES

Corporation Meeting No 184

Date: *10/12/2024 (Tuesday)*

Time: *18:00–20:00*

Venue: *Rural Business Centre*

Committee: *Corporation*

Present: *Allison Jones, Andrew Massey, Barbara Godby, David Hall, Debbie Clayton, Jane Booker (Chair), Kathryn Townsley, Richard Morris, Robert Wallace, Robin Newton-Syms, Simon Gerrard, Sue Collinge and Wes Johnson (Principal)*

Attending: *Damian Stewart (Deputy Principal), Joanne Sherrington (Vice Principal) and John Wherry (Deputy Principal)*

Clerks: *Ron Matthews (Clerk)*

Guests: *Karen Musgrave*

Public Minutes

Item number:
(and category)

Item description:

122.24

Decision

Attendance of College Management

Standing Order 13 states that: As a matter of policy all meetings of the Corporation and its Committees will be held in private. The agendas, minutes and supporting papers of its public business will be made available to the general public. However: (a) The Principal shall be authorised to invite members of staff to attend in their employed capacity for both public and confidential business as appropriate and in accordance with Standing Order 25. (b) The Corporation may exclude members of staff from attending any business that it deems necessary. (c) Attendance by other persons shall be at the discretion of the Corporation following advice from the Principal or Clerk.

Resolved: That Management attend for the public, confidential and strictly confidential agenda items.

123.24

Record

Apologies for Absence

Apologies for absence had been received from Karen Dewhurst and David Hall. Student Governors Tyler Cockerill and Megan Elliot were not in attendance.

124.24

Decision

Minutes of Previous Meetings

The public minutes of meeting number 183 held on Tuesday 29 October 2024 and published on the extranet were agreed and signed as a true and correct record of the meeting.

125.24

Record

Declarations of Interest

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

126.24

Decision

Opening Remarks of the Chair

The Chair reported that she had been involved in both the two Ofsted visits and the Vet Nursing Accreditation visit. She had been kept informed with regard to developments by colleges in general by attending the AoC National Conference with the Principal and video conferences with the North West Principals and Chairs Group. Amongst other activities she had attended the curriculum planning event and had also commenced meetings with individual Governors. She had also met with the relevant officers in her role as Safeguarding Link Governor.

Resolved: That the report be received.

127.24

Decision

Governor Appointments

The Chair reported that on Monday 2 December 2024, together with the Vice Chair, Principal and Clerk, she had interviewed two potential candidates for the role of Governor - Tim Narey from Cumbria and Matt Bagley from Lincolnshire. The two individuals would bring different skills to the Board and although both lived some distance away they were keen to join the Myerscough Board. She therefore recommended that they both be appointed. The Vice Chair, Rob Wallace, seconded the Chair's recommendation. The Clerk reported that this would increase the current independent Governors on the Board to thirteen, which would still be in line with the Instrument and Articles of Government as long as the proposal was supported by the Board. In addition a current Independent Governor was due to retire in March and the issues as to the number of Independent Governors would be considered at the Away Event on 18 March 2025.

Resolved:

1. That Tim Narey be appointed to the Board with effect from 1 January 2025 and would serve on the Finance and Resources Committee.

2. That Matt Bagley be appointed to the Board with effect from 1 January 2025 and would serve on the Quality and Standards Committee.

128.24

Decision

Draft Annual Report of the Audit and Governance Committee to the Principal/Chief Executive and Corporation

The Corporation considered the Draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and Corporation for the year 2023/2024. The Audit & Governance Committee had considered the report and noted that, apart from Audit matters, it also reflected Governance issues according to its Terms of Reference. In accordance with the Joint Audit Code of Practice the Audit & Governance Committee was required to give assurance to the Board. Members noted that the report stated:

'The Audit & Governance Committee is of the view that it has operated effectively and fulfilled its obligations as identified in its Terms of Reference.'

The report also included an opinion 'that the College's audit arrangements, the internal control systems, value for money policy and procedures, financial controls, framework of governance, risk management and control are adequate, operating effectively and its processes secure economy, efficiency and effectiveness and can be relied upon'.

The College was required to report any major issues that had occurred after the end of the year in question but there were no items to add.

Resolved: That the draft Annual Report of the Audit & Governance Committee to the Principal and Corporation for the year ended 31 July 2024 be approved and that the Chair of the Audit and Governance Committee be authorised to sign the document which would then be forwarded to the ESFA by 31 December 2024.

129.24

Financial Statements Auditors Report, Financial Statements for the Year Ended 31 July 2024 and the Audit Finding Report

Decision

The Audit & Governance and the Finance & Resources Committees had previously considered the draft of the *Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2024* and *External Auditors Findings Report for the Year Ended 31 July 2024* and recommended them to Corporation for approval. The External Auditor, Karen Musgrave, attended the meeting to present the report and respond to members questions.

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 suspense accounts to which management provided an acceptable response.
- 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.

Also circulated to all Governors was the Autumn Emerging Issues report from RSM.

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

Resolved: That the accounts be received.

130.24

ESFA Correspondence

Decision

The Corporation considered a letter from the ESFA indicating that the College's Financial Health Grade for 2023/2024 was 'Good' and that the current year, 2024/2025, based on the agreed budget, would also be 'Good'. This information had previously been circulated to the Finance and Resources Committee. Also circulated with the letter was a guidance note on how to access the financial dashboard compiled from the financial returns from Myerscough and other colleges.

Resolved: That the correspondence be noted.

131.24

Decision

Modern Slavery and Human Trafficking Statement

The Vice Principal reported that public and commercial organisations whose turnover exceeded £35m were required to publish an annual statement on compliance with the Modern Slavery and Human Trafficking legislation. As the College budget and turnover now exceeded £35m the Corporation was asked to agree an annual statement in compliance with the legislation.

Resolved: That the Corporation approve and arrange to publish the College's Modern Slavery and Human Trafficking Statement.

132.24

Decision

Governance Self-Assessment Report 2023/2024

The Clerk presented a report on the Governance Self-Assessment which this year was based on the recently completed Independent Board Review, which included Governor surveys. The overall findings from the review had proved very positive. However, the report had raised concerns, as in previous years, that meetings were too long and that if Governors had read the reports before the meeting there should be no need for lengthy introductions from Officers. It was felt that this issue could lead to a stifling of debate and challenge on some occasions. Governors also wished to visit the College campus more often and also to gain a greater understanding of the work undertaken by the committees on which they did not serve. The Clerk reported that opportunities were in place to respond to these issues. Finally, Governors wished to have the opportunity at the Away Days for more open discussions and this had taken place in October and would be borne in mind for future events. The report also included a draft response to the recommendations included in the Independent Board Review and the Clerk sought confirmation that these were agreed.

Resolved:

1. That the report be received.

2. That recommendations 1, 2, 4, 5, 6, & 7 be accepted and the proposed responses be agreed.

3. That the Corporation, with regard to recommendation 3, wished to retain the existing arrangements whereby the Corporation and Committee Chairs continue to meet informally with the Principal.

4. It was also requested Officers explore the options for an external speaker at the Away Event on 18 March 2025 to assist Governors with the implementation of the findings from the Independent Board Review.

133.24

Decision

Myerscough Self Assessment Report 2023/2024

Corporation considered the overall College Self-Assessment Report for 2023/2024. The SAR had been considered by the Quality and Standards Committee at their meeting on 19 November 2024. As part of the process the draft SAR had been examined as part of the recent Ofsted and Vet Nursing Inspection visits. It was recognised by Governors that the report provided a different approach this year being the basis of transitional arrangements following the Ofsted Inspection in November 2024. The Quality Improvement Plan listed the areas for improvement for the year 2024/2025.

Resolved: That the College Self-Assessment Report be approved and submitted to Ofsted.

134.24

Decision

Landex Peer Review report 2023/2024

The Corporation considered the report of the Landex Peer Review which took place on 9 and 10 November 2024. The report reviewed the action plan from the previous visit and listed six actions for the coming year. The issues raised were being addressed by the Deputy Principal, Education, and other members of the senior staff and were also added to the overall Quality Improvement Plan. The report had previously been considered by the Quality and Standards Committee at its meeting held on 19 November 2024 and was circulated to Corporation to inform the wider Governing Body.

Resolved: That the report be received.

135.24

Decision

Statutory Risk Register

The Corporation considered the overall Risk Register developed by the Vice Principal. The Register outlined the approach to the risk appetite statement, the risk assessment framework and the use of the risk heat map. The report also identified the top five risks which remained as previously reported but their order of priority had recently changed. The Register would be reviewed in the new year following the adoption of the revised Strategic Plan.

Resolved: That the Risk Register be received.

136.24

Decision

Report of the Audit and Governance Committee of 12 November 2024

The Corporation considered the report of the Audit and Governance Committee of 12 November 2024.

MATTERS FOR THE INFORMATION OF THE CORPORATION

i) Appointment of Chair and Vice Chair of the Committee for 2024/2025

The Committee appointed Rob Wallace, Chair of the Committee and Robin Newton-Syms, Vice Chair for the ensuing twelve months.

ii) Financial Statements Auditors Report for the Year Ending 31 July 2024

Management Letter and External Auditors Findings Report.

RSM's Karen Musgrave attended the meeting and presented the Audit Findings Report, the draft Letters of Representation in respect of the Financial Audit and the Regularity Audit to the Committee and responded to questions.

The external audit of the financial statements for the year ended 31 July 2024 was almost complete. The Audit Findings Report highlighted three control observations but nothing of significance within the accounts. Karen took the Committee through each item and explained each of the issues in greater detail.

The Governors wished to express their thanks to the Finance Team for their work ensuring the findings indicated above.

The Committee recommended the reports to Corporation for approval and a separate item appeared elsewhere on the agenda.

iii) RSM Emerging Issues Report Autumn 2024

The Committee considered a report produced by the External Auditors RSM on Emerging Issues in Further Education 2024. The report included details of the future closure of the ESFA in March 2025, Colleges Financial Handbook, Office for Students - Audit, Bursary and Free Meals in FE, the future Apprenticeship Landscape, Ofsted Updates, Financial Health Assessment, Emerging Threats and Cyber Security.

Governors thanked RSM for a very useful and informative document. A copy of the report was attached for consideration by the wider Corporation.

The Committee received the report.

iii) Internal Audit Report

The Internal Auditor, Jane Butterfield, presented an Assurance Review of Lesson Observations.

There were two routine and two operational recommendations.

The first routine recommendation was that the Teaching, Learning and Assessment Strategy be updated, ensuring the accuracy of titles, posts and dates. The second routine review was that the planned review of the

Teaching, Learning and Assessment Strategy include documentation of the methods used by the College to focus lesson observations on 'at-risk' staff or curriculum areas.

The first operational recommendation was that whilst the objective of replicating Ofsted's outcome based approach to lesson evaluation was understood, the College might wish to consider whether, in some circumstances, the use of full lesson observations would be beneficial in identifying root causes of outcomes. It was noted that each of the three Supported Improvement Plans sampled included actions regarding lesson structure or planning. The second operational recommendation was that consideration be given to the development of targets for lesson observations for different curriculum areas and to monitoring performance against these.

Management accepted all the recommendations above.

The Committee noted the report and management responses.

iv) Internal Audit Progress and Summary Report

The Committee received and noted the above report which contained information detailing progress to date on all Internal Audit recommendations made. Of the 13 recommendations made for 2022/2023, two of which were operational, 9 (62%) had been implemented, 3 (38%) were currently in progress with one under consideration. The Vice Principal reported that the completion date for one of the IT Cyber Security recommendations had slipped from September 2024 to December 2024.

The Committee received the report.

v) Teachers Pension Report

Audit & Governance Committee received the Teachers' Pension Report. The Committee noted that RSM had provided an independent reasonable assurance report in connection with the Teachers' Pensions Contributions for the year ended 31 March 2024 which included one minor amendment to the figures. This had been submitted to the ESFA in accordance with their time frame.

The Committee agreed that the Teachers' Pension Report be noted.

vi) Risk Register (full) 2024/2025

Audit & Governance Committee considered the full risk register for 2024/2025, a live document that was continuously updated. The risk register was sub-divided in line with the current Strategic Plan - Learning, People and Sustainability.

At each meeting the College's committees reviewed the risk registers appropriate to their respective Terms of Reference and the Corporation reviewed the top 5 Operational Risks at each meeting.

Risk was measured by considering both likelihood and effect using a scale of 1 to 5. Governors pointed out that Emerging Risks had been highlighted in the Emerging Issues report from RSM and indicated that the current Risk Register was a complex document. In the light of the RSM document should there be a full review of the register. The Vice Principal indicated that with the Strategic Plan scheduled for refresh at the December Corporation it would be appropriate to review the register once this had been agreed.

The Committee Resolved:

1. That the full College Risk Register be commended to Corporation for approval.
2. That a full review of the Risk Register be undertaken once the new Strategic Plan had been agreed.

A separate report on the full Risk Register appeared elsewhere on the Corporation agenda.

vii) Data Returns Reports

Audit and Governance Committee considered the report which listed the completion and timing of statutory returns required by the relevant funding bodies for the year end 2023/2024 and the completed returns for the current year 2024/2025. All returns had been submitted on time.

The Committee received the Data Returns Report.

viii) Draft Annual Report of the Audit and Governance Committee to the Principal/Chief Executive and Corporation

The Committee considered the Draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and the Corporation for the year 2023/2024. Audit & Governance Committee noted that the report, apart from Audit matters, also reflected Governance issues according to its Terms of Reference.

In accordance with the Joint Audit Code of Practice, the Audit & Governance Committee was required to give assurance to the Board. Members noted that the report stated:

‘The Audit & Governance Committee is of the view that it has operated effectively and fulfilled its obligations as identified in its Terms of Reference.

It was also of the opinion that the College's audit arrangements, the internal control systems, value for money policy and procedures, financial controls, framework of governance, risk management and control are adequate, operating effectively and its processes secure economy, efficiency and effectiveness and can be relied upon.'

The report was required, similar to the narrative to the final accounts, to address any major issues that occurred after the end of the year in question and before the report was approved.

The report would be signed by the Chair of Audit & Governance Committee and commended to Corporation for approval and onward transmission to the funding body.

Members considered the Audit & Governance Committee Terms of Reference, attached as an appendix to the report, and agreed they remained fit for purpose.

The Committee agreed that the draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and Corporation for the year ended 31 July 2024 be accepted and commended to the Corporation.

The report appeared as a separate item elsewhere on the Corporation agenda.

ix) Skills Audit 2024

The Audit and Governance Committee considered a report of the Clerk on the review of Governors skills.

The report included a 'heat map' setting out the level of skills of the Governing Body as assessed following the Skills Audit conducted during the summer cycle of meetings. Only seven responses were received although there were two vacancies at the time Governors completed the survey. The results indicated that in general there was a good level of skills across the Board and did not point to any one area where there was a clear deficiency. However, whilst the following three areas still show a satisfactory level of skill amongst Governors they are also the areas where Governors recorded the lowest level of a 'High' knowledge of the subject:

- Health and Safety Matters;
- Industry Knowledge of the Land based Sector;
- Industry Knowledge of the Sports Sector and the College offers in this area.

The Committee noted the report and agreed that the Skills Audit be undertaken again in the early part of 2025.

x) Annual Review of the Decision-Making Process of Corporation

The Provider Financial Assurance (PFA) review of the effectiveness of financial management and governance at Myerscough, undertaken in January 2003, recommended that the Corporation carry out a full review of its decision-making processes annually.

Audit & Governance Committee therefore considered the following documents, which made up the majority of the overall decision-making process and recommended for approval:

Instrument and Articles of Government

Corporation Structure

Code of Conduct

Standing Orders

Only minor changes had been made to the documents during the review.

The Terms of Reference for the Audit and Governance Committee had been considered under the previous item as part of the Annual Report to Corporation.

The Committee expressed its satisfaction with the above and agreed that the documents attached to the decision-making processes remained fit for purpose.

Resolved: That the report be received.

137.24
Decision

Report of the Quality and Standards Committee of 19 November 2024

A) MATTERS FOR THE INFORMATION OF THE CORPORATION

i) Appointment of Chair and Vice Chair

The Committee resolved to appoint Allison Jones as Chair and Barbara Godby as Vice Chair for the ensuing academic year.

ii) In-Year Safeguarding Report

The Committee considered an update report on Child Protection and Safeguarding and the Action Plan. It was emphasised that there was a dedicated, experienced and knowledgeable team supporting safeguarding issues. The report also detailed support within the residential provision

whilst reiterating the National Minimum Standards provided for students under the age of 18. The report further emphasised that Safeguarding was everyone's responsibility, including Governors, and restated their level of responsibility.

Safeguarding incidents remained at the high level of previous years. The reasons and concerns were widespread, with the majority concerning mental health issues, but they also covered all aspects of safeguarding. The structure of the safeguarding team had been reviewed to ensure that there was robust caseload management in place. Both the Internal Audit Assurance Review of Safeguarding and the Ofsted Inspection reported that students felt safe and commended the effective safeguarding arrangements of the College.

The report also covered safer recruitment, safeguarding audit, sexual harassment and sexual violence, campus security and online safety. Governors echoed the comments made at previous meetings, where concerns were expressed at the large number of safeguarding alerts and the ability of staff to respond and the well-being of the staff involved. Governors also requested that future reports include a snapshot of issues with trend data and listing any identified areas of concern.

The Committee received the report.

iii) Performance Data 2024/2025

Performance data for 2024/2025 was reported to the meeting of Corporation held on 29 October 2024 and therefore the reports to the Committee on this occasion related to data for the current year.

The Committee had reviewed performance data as follows:

In Year Performance Data 2024/2025:

- i. **FE**
- ii. **HE**
- iii. **Apprenticeship and Skills**

Committee considered the report of the Heads of Faculty for FE which stated that current FE numbers stood at 1533, having lost 13 students by the 42 day census. In addition:

- Retention was 99.4% (10 students withdrawn)
- FE attendance was 89.57% (overall) 90.93% (main aim)
- GCSE Maths and English attendance was 81.18%
- Functional Skills attendance was 72.23%

Overall, with authorised absences, attendance was above target at 99.4%. Presence in the classroom was also being measured. Maths and English remained priorities.

The report of the Assistant Principal provided an update on the operation of HE provision at the College. The current year out figure was shown in comparison to the previous two years:

	New Starters	Total Numbers:
2022/2023	367	720
2023/2024	368	655
2024/2025	317	582

The loss of Vet Nursing enrolments had contributed to the lower recruitment figures. Work had commenced to review the HE offer and courses have been mapped to identify opportunities to integrate Higher Apprenticeships into the offer and work is currently underway to rationalise the number of qualifications offered.

The report on Apprenticeship and Skills was presented by the Assistant Principal.

Overall the report indicated:

- Headline achievement at R14 (2023/2024) was 72.3% which was 17.7% above national average (Standards & Frameworks) and 18% above the national average for Standards only. It also represented a year-on-year increase of 8.9%.
- Headline performance at R03 (2024/2025) achievement was 55.9% (plus 0.2), with a predicted achievement of 81.4%
- Progress against the financial target of £4.6m indicated a 26.5% increase when compared to R03 last year.
- The apprenticeship Accountability Framework dashboard at R03 was showing all metrics as "Green" and on track.
- Recruitment remained strong compared to this point last year. Currently 466 against a 609 target.
- Stakeholder engagement continues to be strong.

The committee received the reports.

iv) Adult Learning

The Committee considered the report of the Assistant Principal on Adult Learning provision at the College. The report provided information on the Adult Skills Fund (ASF) and Full Cost Recovery (FCR) Performance in-year together with an overview and update on key developments within the Adult Skills Team.

National Contract (Non-Devolved), Preston – Value £474,865

- Committed spend profiles – contract allocated for 2024/25 (Adult Skills and Tailored Learning)
- Free Courses for Jobs anticipated spend £6,264 (allocation £43,915). LCR Contract – Value £717,976.14 (plus Free Courses for Jobs, anticipated spend £82,476)
- Committed spend profiles – contract allocated for 2024/25 (Adult Skills and Test & Learn)
- Invitation received to apply for growth in December 2024 – circa £250K to be requested

There has been considerable work on both contracts to maximise fully funded students, the greatest impact being seen in the National Contract.

The Committee received the report.

v) Secretary of State for Education Letter to Colleges and Universities

The Committee considered a letter from the Rt Hon Bridget Phillipson MP, Secretary of State for Education to Colleges and Universities announcing that from September 2025, in line with inflation, there will be an increase in both the maximum cap for tuition fees and maintenance loans for students. The revised cap from 2025 would be £9,535, an increase of £285. The letter also set out the five priorities for reform of the higher education system.

The Committee noted the letter.

vi) Landex Peer Review Report 2024

The Committee considered the report of the Landex Peer Review which took place on 9 and 10 November 2024. The report reviewed the action plan from the previous visit and listed six actions for the coming year.

The issues raised were being addressed by the Deputy Principal, Education, and other members of the senior staff. In addition they were also added to the overall Quality Improvement Plan.

Circulated with the report were:

- A letter from the Landex Chief Executive Officer regarding Landex membership
- A report from Landex on the benefits of membership
- A report on a Sustainable Rural Economy for 2023 and Beyond
- A report on the Self Assessment support available to the College

The Committee noted the report and actions planned.

vii) Subcontracting Report 2023/2024 and 2024/2025

Quality and Standards Committee considered the Subcontracting Report for 2023/2024 and proposals for 2024/2025 produced by the Assistant Principal, Liverpool and Partnerships.

The work carried out by subcontractors enabled the College to deliver education and training programmes to learners who would not otherwise be enrolled at Myerscough College, due to either geography or the specialist nature of the support they required.

The College was very selective when working with subcontractors and rigorous due diligence and monitoring processes were followed. Members were updated on the existing arrangements together with those coming to an end. Retention and achievement amongst all subcontractors for last year remained strong. Details of allocations for the current year were also provided. These indicated a significant reduction in student numbers due to the current FE numbers meeting target. The Committee noted the report.

viii) Draft College SAR 2023/2024

The Committee considered the Draft College SAR for 2023/2024.

The SAR process identified key strengths and areas for development regarding quality of education, curriculum intent, curriculum implementation, curriculum impact, behaviours and attitudes and personal development. The report also highlighted progress since the Ofsted Inspection in November 2023.

English and Maths remained key priorities. The final report would be presented to Governors at the Corporation meeting in December.

The Committee agreed that the SAR be received and forwarded to Corporation for consideration.

The Draft SAR appears as a separate item on the Corporation agenda.

ix) FREDIE Objectives and Action Plan 2023/2024

The Committee considered the report on Fairness, Respect, Equality, Diversity, Inclusion and Engagement (FREDIE) objectives and action plan for 2023/2024. The Director of Student Support and Welfare outlined the content. Governors noted that the report reflected on the work which had been undertaken over the year to advance and promote FREDIE in the College. Members commented on the areas highlighted for development.

The Committee expressed satisfaction with the report and was assured that the College discharged its duties according to the legal framework.

x) Terms of Reference for the Quality and Standards Committee

Quality & Standards Committee considered the Terms of Reference document.

Minor amendments were required to some of the education descriptions but subject to these being implemented the Terms of Reference were judged to remain fit for purpose.

Resolved: That the report be received.

**138.24
Decision**

Report of the Finance & Resources Committee of 27 November 2024

The Corporation considered the report of the Finance and Resources Committee meeting held on Wednesday 27 November 2024.

A) MATTERS FOR THE INFORMATION OF THE CORPORATION

i) Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2024 and the Audit Findings Report

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 Grazeby, of RSM External Auditors, was in attendance and presented the report.

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 retention of expense receipts and the use of suspense accounts to which management had provided an acceptable response.

- 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.

Also circulated to all Governors, together with the papers, was the Autumn Emerging Issues report from RSM.

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

The Committee recommended the reports to the Corporation and a separate item appears elsewhere on the agenda.

ii) Financial Position Statement for the Period Ended 31 October 2024

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.

The Committee received the report.

iii) ESFA Correspondence

The Committee considered a letter from the ESFA indicating that the College's Financial Health Grade for 2023/2024 was 'Good' and for the current year 2024/2025, based on the agreed budget, would also be 'Good'.

The Committee noted the report.

iv) LGPS Update

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.

The Committee received the report.

v) FE Tuition Fees 2025/2026

The Committee considered the Review of the Policy on Tuition Fees. The Director of Finance reported that there had been minimal changes to the policy following the major review last year.

The Committee agreed the revised policy on Tuition Fees for 2025/2026.

vi) Overseas Visits Policy Review

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.

The Committee agreed the Overseas Visits Policy, as amended.

vii) Statutory Risk Register

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 the 'Residual Risks'. The report also included the review of the College Risk Appetite and a definition of 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.

The Committee received the report.

viii) Human Resources

The Committee considered the above report which contained analysis of staff turnover, 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 20.625. During the same 12 month period for 2022/2023, data showed the turnover was 18.1%. Management changes had 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 training, service availability, staff wellness provisions and changes to the Occupational Health provider.

The Committee received the report.

ix) Health and Safety Report

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 compared to last year as had accidents requiring first aid. Analysis indicated that there were no identifiable trends and no areas for concern.

The Committee received the report.

x) Terms of Reference of the Finance and Resources Committee

In line with all Committees the Finance and Resources Committee reviewed its Terms of Reference and concluded that they remained fit for purpose.

Resolved:

That the report be received.

139.24

Report on the State of College Finances in England by the Institute of Fiscal Studies.

Decision

The Vice Principal circulated a covering report and appendix on the state of College Finances produced by the Institute of Fiscal Studies.

The documentation highlighted:

- income and expenditure since 2010/2011 had fallen by a third
- funding 16-19 students had fallen by almost a quarter
- 37% of colleges were operating in deficit during 2022/2023
- one in five colleges were either 'inadequate' or 'required improvement'
- half of college teachers leave with three years

Resolved:

That the report be received.

140.24

John Wherry, Deputy Principal, Resources

Decision

The Chair referred to the fact that this would be the last Corporation meeting for John Wherry, Deputy Principal, Resources, before his retirement at the beginning of March 2025.

She thanked John for his service with the College of over forty years and his assistance to Governors in his position as Deputy Principal.

Other Governors echoed the Chair's comments.

John responded accordingly.

