

## MINUTES

### *Finance & Resources No 45*

Date: 28/11/2023 (Tuesday)

Time: 19:45–21:00

Venue: *Via Teams*

Committee: *Finance and Resources*

Notes: *Please note change of start time*

Present: *Allan Foster, David Hall, Sue Collinge (Chair) and Wes Johnson (Principal)*

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

Clerks: *Ron Matthews (Clerk)*

Guests: *Charlotte Walsh (External Auditor)*

## ***Public Minutes***

Item      Item description:  
number:  
(and  
category  
)

### **61.23      *Attendance of College Management Staff***

**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.**

### **62.23      *Apologies for Absence***

**Record** No apologies had been received all Committee Members being present.

### **63.23      *Minutes of Previous Meeting***

**Decision** The public minutes of the Finance & Resources Committee meeting number 44 held on Tuesday 12 September 2023 (published on the extranet) were agreed and signed as a true and correct record of the meeting.

### **64.23      *Declarations of Interest***

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

### **65.23      *Financial Statements Auditors Report and Financial Statements for the year Ended 31 July 2023 and the Audit Finding Report***

**Decision** The Committee considered the above documents which included the draft Findings Report for the year ended 31 July 2023 together with the draft Auditors Report & Financial Accounts for the same year. Charlotte Walsh, 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 was one unadjusted misstatements in the financial statements.
- it gave a true and fair view of the state of the College's affairs as at 31 July 2023.
- 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 one unadjusted misstatement for £90,916 referred to the judgemental extrapolation of the error identified but did not constitute a major issue. There were a small number of internal control issues identified in the report with recommendation and management responses. The auditor went through each of these with the Committee and the management responses were acceptable to her. Reference was also made to the Emerging Issues paper produced by RSM.

The Committee thanked Charlotte 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.**

**66.23     *Strategic Plan Progress Report***

**Decision** The Committee considered the report on the Strategic Plan update as at 31 October 2023. The Deputy Principal, Finance and Corporate Services, took the Committee through the paper.

Staff sickness and the Riddor accident rate were all below the agreed targets although retention was above target and greater than the AoC average. The remaining targets under People related to student responses to 'feeling safe' and these were slightly below target. Sustainability indicated that current surplus was behind target.

The remaining financial indicators were on or close to target. Recruitment to FE was slightly below target. The Capital Plan was anticipated to be delivered within target.

**Resolved: That the report be received.**

**67.23     *ESFA Correspondence***

**Decision** The Committee considered a letter from the ESFA indicating that the College's Financial Health Grade for 2022/2023 was Good and that for the current year, 2023/2024, based on the agreed budget, would also be Good.

Also circulated with the letter was a note for Governors on how to access the financial dashboard compiled from the financial returns from Myerscough and other colleges.

**Resolved: That the correspondence be noted.**

**68.23     *Financial Position Statement for the Period Ended 31 October 2023***

**Decision** The Committee considered the report of the Director of Finance on the financial performance up to 31 October 2023. The financial surplus of £16k was £325k behind budget, with cost savings still to be implemented. The College received notification of £1.38m additional FE funding in September 2023 which would help to address key priorities, including the pay challenges. Pay proposals were a 6.5% pay award from 1 January 2024 with those on the National Living Wage also receiving 6.5% from 1 January 2024 and with a further uplift to £11.44 per hour from 1 April 2024.

Staff costs as a percentage of income stood at 58.9%, above the target of 56.6%.

At period end both cash balances of £15.009m and 162 cash days remained very strong.

Current surplus and staff costs were below the FE Commissioner's financial benchmarking targets although the financial grade remained good.

Apprenticeship numbers and income remained positive with the farm performing slightly better than budget. Following questions from Governors it was:

**Resolved: That the report be received.**

#### **69.23     *FE Tuition Fees Policy 2024/2025***

**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 2024/2025.

**Resolved: That the FE Tuition Fees Policy 2024/2025 be agreed.**

#### **70.23     *Strategic 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 scoring matrix. Reputational damage, partnership arrangements, inability to secure financial stability, cyber security and failure to deliver quality improvements and achieve successful outcomes at Ofsted remained high risks.

**Resolved: That the report be received.**

#### **71.23     *Human Resources for the Period Ended 31 October 2023***

**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 2023.

The Committee noted that staff turnover, the percentage of workers who leave, was currently 19.31%, including 17.5% for management staff, 23.79% for teaching staff and 16.5% for support staff. During the same 12 month period, 2021/2022, data showed the turnover was 18.1%, including 15% for management staff, 16.9% for teaching staff and 20.3% for support staff. The UK colleges average was 14.8%, with northwest colleges standing at 12.8%.

Overall, staff sickness was 2.87% and was being closely monitored. This was below the target of less than 3%. Long term sickness of 10 employees, compared to 8 for the similar period last year, was above the target of 6. The average number of working days lost due to sickness per employee was 7.46 days. The team had supported 199 vacancies this quarter, an increase of 37 on the last quarter. Discussions continued with the College Union for teaching staff (UCU) regarding the pay offer and their subsequent strike action. The report also included details of staff restructure, training, service availability, staff wellness provisions and changes to the Occupational Health provider. The Director of People was due to leave the College for a senior position at another college at the end of the year. Interviews for her replacement had been held the previous week and the Deputy Principal was pleased to report that an offer had been made to a suitable candidate.

**Resolved: That the report be received.**

#### **72.23     *Health and Safety Report for the Period Ended 31 October 2023***

**Decision** Members considered the Health and Safety Report for the period ended 31 October 2023 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 at 240 showed an increase of 74 compared to the same period last year and close to pre-pandemic levels. There were 8 near misses and 1 RIDDOR reportable accident during this period which was well below the target of less than 3%. However, the number of reported near misses had increased. Analysis indicated that there were no identifiable trends and no areas for concern.

**Resolved: That the report be received.**

#### **73.23     *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.**

