

MINUTES

Finance & Resources No 48

Date: *11/09/2024 (Wednesday)*

Time: *18:00–20:00*

Venue: *Via Teams*

Committee: *Finance and Resources*

Present: *David Hall, Karen Dewhurst, Sue Collinge (Chair) and Wes Johnson (Principal)*

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)

Item description:

19.24

Decision

Attendance of College Management

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

Resolved: That College Management staff attend the meeting.

20.24

Record

Apologies for Absence

Apologies had been received from Jane Booker.

21.24

Decision

Minutes of Previous Meetings

The public minutes of the Finance & Resources Committee meeting number 48 held on Wednesday 26 June 2024 (published on the extranet) were agreed and signed as a true and correct record of the meeting.

22.24

Record

Declarations of Interest

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

23.24

Decision

Election of Chair and Vice Chair for 2024/2025

Members gave consideration to the election of a Chair and Vice-Chair of the Committee for the academic year 2024/2025. The Committee decided to opt for continuity and following due process re-elected the current Chair to serve for a further year and also to elect a Vice Chair from amongst the remaining membership.

Resolved: 1. That Sue Collinge be re-appointed Chair of Finance & Resources Committee for the academic year 2024/25.

2. That Karen Dewhurst be appointed Vice Chair of the Finance and Resources Committee for the academic year 2024/2025.

24.24

Decision

Strategic Plan Progress Report

The Principal introduced the item by indicating that the Committee needed to facilitate the KPIs that Governors would wish to see reported in the future. This would also aid the development of the Strategic Plan for 2024/2025. The Vice Principal outlined the five most relevant financial indicators as follows:

Strategic KPI's	Target	2023-24 Actual	2024-25 Budget	2025-26 Budget	2026-27 Budget
Adj Opg Surplus	>1%		0.5%	0.5%	0.5%

Pay costs as a % of Income	<57%	57%	58%	58%	58%
Productivity Income/FTE (> avge Landex figure)	>£77k	£68k			
No of students per FTE (FE & HE) (> avge Landex figure)	>8	6			
Cash Days in Hand	>31 days	140 days	129 days	107 days	119 days
Financial Rating	Good	Good	Good	Good	Good

The Deputy Principal, Resources, indicated that it was proving a more difficult to identify KPIs for the areas of Human Resources, Health & Safety and the Farm. He was exploring any benchmarking information via Landex to assist with the process.

Resolved:1. That the five financial KPIs identified by the Vice Principal be agreed.
2. That it be noted that work was continuing to identify KPIs for Human Resources, Health & Safety and the Farm.

25.24 Decision

Financial Position Statement for the Period Ended 31 July 2024

The report was presented by the Director of Finance who pointed out that it was a first draft which did not include the year-end adjustments and reconciliations which would be presented in the final audited Financial Statements as at 31 July 2024. The accounts at the current time showed a loss of £68k, prior to FRS102 pension costs, which was £83k behind the control budget. Pay costs were 57% of income and financial health was 'Good'. The farm was showing a loss of £405k against a forecast loss of £247k and a programmed budget loss of £99k. The report outlined some of the reasons behind the increased losses. Apprenticeship income was behind control budget however, the team was confident of reaching forecast. Whilst significant cost savings continued to be implemented, current forecasts would achieve a small surplus when the final accounts were confirmed. Overall College income was £38.14m against a control budget of £36.7m. Cash balances at the period-end remained strong at £14.466m with cash days at 140 days remaining very strong. The accounts continued to meet the FE Commissioner's financial benchmarks and it was confirmed that the College remained a Going Concern. On a positive note: - Delivery of devolved funding in Liverpool was strong; - Commercial income was robust; - Negotiations with the trade union were concluded; - The balance sheet remained strong. Attached at appendices 9a to 9f were reports from Mercer Actuaries who had undertaken an independent actuary review of the LGPS pension fund available to support staff. The approved capital expenditure for the year was £3.886m with £2.040m being brought

forward from monies unspent in 2022/2023. An in-year allocation of £172k had been agreed with £122k grant funding and £50k of College funds, plus LSFI monies of £95k making a total of £6,193m. Underspend for the year was £2,154m which would be carried forward into 2024/2025. Following questions it was

Resolved: That the reports be received and the Committee confirm, that at this stage, the College would appear to be a 'Going Concern'.

26.24

Decision

External Audit Regularity Questionnaire

The Committee considered the above questionnaire and the responses provided by the College. The document would be used as the basis for the Regularity Audit by the Independent Auditors. It was required to be signed by the Chair of Corporation and the Accounting Officer in advance of the reporting of the audit in compliance with the Post 16 Audit Code of Practice. Following questions it was

Resolved: That the Committee note the responses to the questionnaire and authorise the Chair and Accounting Officer to sign the document.

27.24

Decision

College Value for Money Statement 2023/2024

The Vice Principal presented a report on a review of the College Value for Money Statement 2023.2024. The report included details of the savings achieved during the last twelve months. The Deputy Principal, Resources, confirmed that the College used a broker to obtain the best available price for elements such as energy to ensure the best possible prices were obtained.

Resolved: That the revised Value for Money Statement 2023/2024 be approved.

28.24

Decision

Strategic Risk Register

The Committee considered the Strategic Risk Report as at September 2024 presented by the Vice Principal. Included in the report were references to the risk appetite statement, risk assessment framework and risk heat map. The report identified the top five risks for the College although their priority had changed since the last meeting. These were as follows:

- Failure to deliver Quality Improvement and achieve successful outcomes at OFSTED;
- Reputational Damage;
- Failure to deliver financial stability that supports strategic objectives;
- Breakdown of Myerscough/UCLan and other Partnerships;
- Technological (IT) Failure / Loss of data. Failure of Cyber Security control measures.

Resolved: That the report be received.

29.24 ***Subcontracting Policy and Procedure Including Supply Chain Fees and Charges - Review***

Decision The Committee considered the report of the Vice Principal on a review of the Subcontracting Policy and Procedure, Including Supply Chain Fees and Charges. The aim of the policy was to ensure that all sub-contracted provision was managed effectively and efficiently whilst focusing on quality. Only minor amendments had been made. The policy governed all sub-contracting within the College. Roles and responsibilities for the College and sub-contractors were clearly defined from the outset of the partnership and all sub-contractors were required to agree and sign both a Contract and Service Level Agreement. The report also detailed the subcontractors the College would be working with during the 2024/2025 academic year. The College would no longer be working with Pinehurst due to not meeting the required quality standards. In addition it had been agreed to enter into a subcontracting arrangement with the Scottish Racing Academy. In summary the programme for 2024/2025 would include Employability Solutions, Groundwork Greater Manchester, Scottish Racing Academy and Siemens Mobility, 116 new start learners in total.

Resolved: That the report be received, that the revised policy be agreed and the arrangements for 2024/2025 be endorsed.

30.24 ***Review of the Health and Safety Policy***

Decision The Committee considered the review of the College Health and Safety Policy. There were no significant amendments to the policy other than to update contacts and job titles and to include reference to include negotiations with the relevant trade unions, otherwise it was judged to remain fit for purpose.

Resolved: That the Health & Safety Policy be approved.

31.24 ***Annual Cycle of Business 2024/2025***

Decision Finance & Resources Committee considered its Annual Cycle of Business for 2024/2025.

Resolved: That the Annual Cycle of Business for 2024/2025 be agreed.

