

MINUTES

Finance & Resources No 44

Date: *12/09/2023 (Tuesday)*

Time: *18:00–20:00*

Venue: *Via Teams*

Committee: *Finance and Resources*

Present: *Allan Foster, Rosie Bryson (Co-opted Member), Sue Collinge (Chair) and Wes Johnson (Principal)*

Attending: *Rod Walalce (Governor), Janet Whiteside (Director of Finance), Joanne Sherrington (Deputy Principal), John Wherry (Deputy Principal) and Steven Downham-Clarke (Vice Principal)*

Clerks: *Ron Matthews (Clerk)*

Apologies: *David Hall*

Public Minutes

Item number:
(and category)

Item description:

36.23

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.

37.23

Record

Apologies for Absence

Apologies had been received from David Hall. Clare James had recently resigned from the Corporation and was therefore no longer a member of the Committee. Governor Rod Wallace also attended the meeting and with permission of the Chair was permitted to speak on the last item.

38.23

Decision

Minutes of Previous Meeting

The public minutes of the Finance & Resources Committee meeting number 44 held on Tuesday 27 June 2023 (published on the extranet) were agreed and signed as a true and correct record of the meeting.

39.23

Record

Declarations of Interest

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

40.23

Decision

Election of Chair and Vice-Chair for 2023/2024

Members gave consideration to the election of a Chair and Vice-Chair of the Committee for the academic year. The Committee decided to opt for continuity and following due process re-elected the current Chair to serve for a further year. With the recent resignation of Clare James it was decided not to appoint a Vice-Chair at the present time.

Resolved:

1. That Sue Collinge be re-appointed Chair of Finance & Resources Committee for the academic year 2023/24.

2. That a Vice-Chair not be appointed at the present time.

41.23

Decision

Strategic Plan Progress Report

The Committee considered the Strategic Plan Progress Report for the Finance and Resources Committee. This had been prepared by the Deputy Principal, Finance and Corporate Services, due to the new Principal having recently taken up office. The key performance indicators related to Income, the Capital Plan, Human Resources Statistics and Financial Performance. Absence due to staff sickness was lower than

target although staff retention was slightly higher. The Riddor accident rate remained below target of less than 3%. The remaining targets under People related to student satisfaction and in general these expressed good/strong responses although completion rates for the staff survey were below target. Sustainability indicated that, apart from student numbers, the financial indicators were on, close to, or above target. However, subcontracting numbers were higher than budget. Apprenticeship numbers were all positive including the related income target. The Capital Plan was anticipated to be delivered within target. Further information on the financial position of the College was included as part of the report on the financial position statement.

Resolved: That the report be received.

42.23

Decision

Financial Position Statement for the Period Ended 31 July 2023

The report was presented by the Director of Finance who indicated that it was a first draft and did not include the year-end adjustments and reconciliations which would be represented in the final audited Financial Statements as at 31 July 2023. The Control Budget for 2022/2023 showed an operating surplus, prior to FRS102 pension costs, of £618k against a forecast of 36k in the original budget. However, the actual surplus of £941k was £595k ahead of the control budget and £346k ahead of the forecast. After FRS102 pension adjustments the College made a surplus of £618k. The accounts included an additional adjustment of £257,535 following the final reclaim from the ESFA Audit. Pay costs were 56.6% of income comparable to the control budget of 58.31%. Overall College income was £36.8m against a control budget of £36.7m. Cash balances at the period-end remained strong at £15.06m with cash days at 151 days remaining very strong. Financial Health remained Outstanding. Commercial Services accounts showed that the overall margin, excluding the farm, was £1,224k, £36k ahead of a forecast of £1,285m. The farm was currently reporting a loss of £162k against a control budget predicted loss of £165k. The accounts continued to meet the FE Commissioner's financial benchmarks and it was confirmed that the College remained a Going Concern. The approved capital expenditure for the year was £3m with £1,257k being brought forward from monies unspent in 2021/2022. An in-year allocation of £1.224m had been added. Underspend for the year was £2,246m which would be carried forward into 2024/2025. Following questions it was

Resolved: That the reports be received.

43.23

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.

44.23

Bank Account

Decision

The Deputy Principal, Finance and Corporate Services, requested the Committee to give permission for the College to open a bank account with Handersbanken to take advantage of the advantageous interest rates currently being offered. The College had previously held an account with the bank.

Resolved: That the Corporation be requested to approve the opening of a bank account with Handersbanken.

45.23

Counter Fraud Policy - Review

Decision

The Committee gave consideration to the report of the Deputy Principal, Finance and Corporate Services, on a review of the Counter Fraud Policy. The policy had been substantially rewritten in September 2021 and there was minimal amendments at the present time.

Resolved: That the review of the Counter Fraud Policy be agreed.

46.23

Overseas Visits Policy Review and Annual Report for the Year Ended 31 July 2023

Decision

The Deputy Principal, Finance and Corporate Services, presented a report on a review of the Overseas Visits Policy. Only minor changes had been made with these highlighted in yellow. An appendix to the report was a summary of overseas visits taken in 2022/2023. There were 13 overseas visits in 2022/2023 comprising 30 staff and 165 students. The total costs of the visits was £71,227.08, of which £65,357.31 was funded by third parties, leaving £5,869.77 funded by the College. This represented just 8% of the total cost.

Resolved: That the report be received and the revised policy be agreed.

47.23

College Value for Money Statement

Decision

The Deputy Principal, Finance and Corporate Services, presented a report on a review of the College Value for Money Policy. The report included details of the savings achieved during the last twelve months. Governors made reference to the current energy crisis and price increases and sought a level of assurance regarding the impact on College finances. The Deputy Principal, Resources, confirmed that the College used a broker to obtain the best available price for energy and that currently prices had been fixed until October 2023.

Resolved: That the revised Value for Money Policy be approved.

48.23

Strategic Risk Register

Decision

The Committee considered the Strategic Risk Report as at September 2023 as presented by the Deputy Principal, Finance and Corporate Services. 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. Partnership arrangements, particularly with UCLan, Reputational Damage and Governor recruitment, due to recent resignations, all now featured in the top five risks.

Resolved: That the report be received.

49.23

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 (Including Supply Chain Fees and Charges) Policy and Procedure. The aim of this policy was to ensure that all sub-contracted provision was managed effectively and efficiently whilst focusing on quality. 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.

Resolved: That the report be received and that the revised policy be agreed.

50.23

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, remove references to Covid actions and to including the recently agreed Menstruation Policy, otherwise it was judged to remain fit for purpose.

Resolved: That the Health & Safety Policy be approved.

51.23

Annual Cycle of Business 2023/2024

Decision

Finance & Resources Committee considered its Annual Cycle of Business for 2023/2024.

Resolved: That the Annual Cycle of Business for 2023/2024 be agreed.

