



Minutes of the Meeting of the
Finance, Resources and Capital Projects Committee
held at 6.00 pm on Wednesday 22 November 2023 at the College.

Present:	Mr P Sullivan (PS) Ms T Aust (TA) Mr T Hayhoe (TH) Mr S McGeoch	Chair Principal
In Attendance:	Ms K Frost (KF) Mr M Cooper (MC) Mr K Evans (KE)	Head of Governance Executive Director Finance, HR and Development Executive Director Resources

37/23 Welcome and Apologies

The Chair opened the meeting and welcomed everyone. There were no apologies for absence.

38/23 Declarations of Interest

There were no declarations of interest relating to the items on the agenda.

39/23 Minutes of the Last Meeting

Minutes from the meeting of the committee held on 21 June 2023 had been received in advance (Paper 1). IT WAS DECIDED the minutes were a true record of the meeting and they were approved.

40/23 Matters Arising

The 'Summary Action Point List' (Paper 2) had been received in advance of the meeting. The committee reviewed the update on progress towards actions since the last meeting. MC noted that the EFSA budget and related sensitivities and risks would be sent to committee members. The following matters arising were discussed:

Action 8/23ii: It was agreed to close the action. The future of the Skills and Logistics Centre would be discussed as part of future strategy conversations.

41/23 Finance

a) Data Dashboard and Development Plan

The committee reviewed the financial KPIs in the Data Dashboard. The operating result for the year had improved to £469k which meant the financial health score had moved to Outstanding. 16-19 student numbers were on track. Adult learner numbers were slightly lower than target.

Signed:

Date:

The committee reviewed progress towards the relevant objectives in the Development Plan that was received in advance of the meeting (Paper 3).

The main area of concern was apprenticeships where recruitment had been low. Governors asked about the financial impact of this. MC said the best possible outcome now would be approx £270k compared to the target of £350k. This wouldn't result in a significant impact on the financial position of the College but work was underway to look at how to grow the provision.

Governors said they were concerned that the spend on staff training and development was under budget and reiterated the importance of staff CPD.

b) Final Management Accounts 2022-23

The Final Management Accounts 2022-23 were received in advance of the meeting (Paper 4).

Governors noted that the capital expenditures in the cash flow projections appeared different from the budget and the information in Paper 15. MC responded this was because the cash flow projections included some expenditure on grant-funded projects. IT WAS DECIDED to note the Final Management Accounts 2022.

c) Draft Report and Financial Statements for Year Ended 31 July 2023

The 'Draft Report and Financial Statements as at 31 July 2023' (Paper 5) was received in advance of the meeting.

MC reported that there had been several amendments to the version of the Report and Financial Statements that had been circulated to the committee compared to the version that would be sent to the Audit Committee for review. Material changes included issues with the cashflow statement which had been resolved and the maturity of debt on the bank loan which had been amended. A copy of key changes would be sent to committee members.

Governors asked about the enhanced pension scheme and whether it was funded. MC explained the actual cost of enhanced ongoing pensions to former staff was unfunded and was still paid by the College annually.

Governors asked whether the defunding of courses was a risk that should be included in the risks and uncertainties section of the report. The committee discussed the suggestion and it was agreed that it was an area that would need to be monitored but it wasn't a risk that needed to be included in the report.

Governors asked why the auditors only performed a limited assurance engagement. MC said that this was consistent with ESFA requirements as set out in the Post-16 Audit Code of Practice. If they were required to perform a reasonable assurance engagement, the audit fee would increase substantially.

Governors asked about the legal charge on the Barclays Loan. MC explained that as the members who signed the legal charge were no longer on the Corporation, the legal charge would need to be re-executed. It was agreed to add an agenda item to the next Corporation meeting to ask the Board to delegate authority for signing the legal charge to PS and SM. The charge could then be signed following the Corporation meeting.

[Note: Post meeting it was agreed that the solicitors would be asked to opine on whether, in light of the reclassification of FEs into the central government sector, the Corporation should seek government consent.]

Signed:

Date:

d) **Post-audit Management Report**

The 'Draft Post-audit Management Report 2023' (Paper 6) was received in advance of the meeting. MC noted that the operational surplus value of £359k had been corrected so it was now consistent with the £469k shown in the financial statements.

Governors asked about the auditor comment on page 4 that staffing issues had impacted on the timeliness of the audit and asked whether the issues had been resolved. MC said the finance team were in a much stronger position now and so there should be no issues for the audit next year.

Governors asked about page 10 of the report which referred to pension fund adjustments. The committee discussed the adjustments and were comfortable to sign the adjustments off, which would take place in the Letter of Representation.

e) **Letter of Representation**

The 'Draft Letter of Representation' (Paper 7) was received in advance of the meeting.

Following the review of the Management Accounts, the Draft Report and Financial Statements, the Post-audit Management Report and the Letter of Representation, IT WAS DECIDED to recommend that the Corporation approve them, subject to the amendments that had been made, and to authorise the Report and Financial Statements, the Post-audit Management Report and the Letter of Representation to be signed pending the review by the Audit Committee.

f) **Contracts Due**

An update on the tender process for the catering contract was received in advance of the meeting. (Paper 8).

The existing catering contract with Taylor Shaw was due to come to an end on 31 March 2024. Tenet had been chosen to lead the tender process. An outline of the process was given.

42/23 Human Resources

a) **Data Dashboard and Development Plan**

The committee reviewed the KPIs relating to Human Resources in the Data Dashboard. MC reported that the College was in a better position in terms of staff turnover and there had been a reduction in the amount of staff sickness. The staff ethnicity profile was broadly representative of students. Staff utilisation was a little below the target.

The committee reviewed progress towards the relevant objectives in the Development Plan (Paper 3).

Governors asked what the main objectives were over the next few months to bring amber areas to green in the Development Plan. MC said there would be a focus on upskilling curriculum staff, developing digital skills and a focus on identifying positive steps that could be taken to improve the ethnicity profile and the gender pay gap.

b) **Annual Human Resources Report**

The 'HR Report 2022-23' (Paper 9) was received in advance of the meeting.

It was agreed that the contents of the Annual Human Resources Report could be reviewed with a view to streamlining it. The report would benefit from an executive summary that drew attention to key areas to bring to the attention of governors.

Signed:

Date:

The summary sheet should include an analysis of the data and invite contribution from governors on areas that might be of benefit for the leadership team. The current level of detail wasn't necessarily required for governors but could be provided as an appendix if it was needed elsewhere in the College.

Action: MC

Governors asked about the table on page 30 that showed there had been 164 days lost because of stress and asked for more details. MC said the absence was caused by a small number of staff with performance issues who had been absent for a significant number of days and explained the steps being taken. Governors asked if the College's insurance would respond if stress related claims were brought. The CEO/Principal said it would.

Governors asked about the lower mean and median pay for women compared to men shown on page 6. MC responded that there was equal pay for the same job.

Governors said it would be useful to have the data in the report as percentages, for example the conversion rate of interview to appointment for men v women and for White v BAME. It would be also be useful for the report to state whether reasons for any gaps were fully understood and whether any actions were required.

Governors asked where the College sat in terms of rewarding staff compared to other local colleges. The CEO/Principal said the College had undertaken some benchmarking a few years ago and the College had performed well both in terms of pay and the range of other benefits. In the last couple of years, the College had increased pay for all staff.

Governors asked why the College was struggling to recruit to positions. The CEO/Principal said it depended on the role being recruited to, but reasons included: challenges with recruiting to positions for trade areas, challenges with finding appropriately experienced health and care staff and the rise in the expectation for hybrid working, which wasn't an option for the majority of staff.

c) **Health and Wellbeing Policy**

The 'Health and Wellbeing Policy' (Paper 10) was received in advance of the meeting.

Governors asked whether the proposed recommendations in the policy had been completed. MC explained that most of the recommendations had been completed but there had been some challenges around the mental health champions.

It was agreed to remove the list of the recommendations from the policy and instead to have a separate report that listed the actions and provided an update on progress towards meeting them.

Action: MC

Governors asked if the management team were comfortable that the policy was adequate given the changing nature of the challenge with mental health challenges. The CEO/Principal said the Health and Wellbeing action plan addressed mental health challenges. One challenge the College was facing was getting sufficient engagement with Health and Wellbeing activities. As a result, there would be a compulsory CPD session for staff with a Health and Wellbeing focus.

43/23 Health and Safety

a) Data Dashboard and Development Plan

A 'Health and Safety Dashboard Commentary – End of Year Position 2022-23' was received in advance of the meeting.

KE reported that there had been two instances that had been reportable to HSE, both related to trips and slips and no further action had been required.

Governors asked what triggered a risk assessment as the number of risk assessments completed had increased from 143 to 196. KE said there had been an increase in offsite trips and visits taking place which had led to the increase in risk assessments.

Governors asked whether the instances reported to HSE would be covered by the College's insurance policy and it was noted they would if a claim was received.

An update on progress towards the Health and Safety Development Plan 2022-23 was received in advance of the meeting (Paper 12) which was reviewed by the Committee.

Governors asked for an update on the accident that had taken place at the Skills and Logistics Centre. MC said the incident was with the insurance company.

b) Annual Health and Safety Report

The 'Health and Safety Annual Report 2022-23' was received in advance of the meeting. (Paper 13).

The committee reviewed the report in detail and said the report was thorough and covered the necessary detail. Governors asked whether the report was needed for an external agency. KE explained that it was for the benefit of the College and provided clear evidence that the College was following the Health and Safety requirements.

44/23 Estates and Sustainability

a) Data Dashboard and Development Plan

A 'Sustainability Dashboard Commentary – End of Year 2022-23' (Paper 14) was received in advance of the meeting. KE summarised the update.

Governors asked for a forecast figure for 2023-24 to be added to the Dashboard so that progress towards it could be tracked.

Action: KE

Governors asked for a report to be circulated to the committee that included the cost per KWH and that covered a time period that started pre-pandemic (if the data was already available) so that it would be clear how the contracts had changed over the last few years.

Action: KE

Governors suggested charging electric vehicles at night to take advantage of lower energy rates although it was noted the College only had one electric vehicle and so the impact would be minimal.

Governors asked whether the College used plastic cutlery. KE said the College used wooden cutlery.

b) **Capital Expenditure Summary Report**

The following papers were received in advance of the meeting:

- Capital Expenditure 2023-24 Executive Summary Report (Paper 15)
- CapEx Bid Collection Form (Paper 15a)
- Category C&D Works (Paper 15b)
- Solar Panels Executive Summary (Paper 15c)

In line with the College Standing Orders, it was reported that the committee had made the decision, via email, to appoint Mitie as the provider of Solar Panels at a total cost of £275,426. IT WAS DECIDED to ratify the decision made.

Governors asked why there was such a discrepancy in the quotes received for the solar panels. KE explained the reasons for this which had included one company not following the tender requirements.

Governors noted there were differences in information in the four reports and that it was difficult to reconcile the differences. MC and KE explained this was due to factors such as timing and source of funding.

Governors suggested that the leadership team review how Capital Expenditure was reported to the committee.

Action: KE/MC

Governors asked for further information that set out the capital funding and the plan for spend.

Action: MC/KE.

c) **Business Continuity Plan**

A 'Draft Business Continuity Plan' (Paper 16) was received in advance of the meeting.

Overall, governors said it appeared to be a thorough plan. They suggested holding a desktop exercise to test the plan.

Governors asked for further information about the plan owners. KE explained that further detail about what happened in an emergency was included in the Crisis Management plan. Governors asked for the Crisis Management Plan to be reviewed at the next meeting of the committee.

Action: KE

Governors said the biggest risk was cyber security and asked what mitigations were in place to control the risk. KE explained that the protection included fire walls and virus protection that was regularly updated and reviewed. A training session about cyber security would be provided for governors in the new year.

45/23 **Correspondence**

A letter from the ESFA regarding the College Financial Forecasting Return 2023-25 (Paper 17) was received in advance of the meeting and was noted.

46/23 **Date of the Next Meeting**

The date of the next meeting of the committee was Wednesday 6 March 2024 at 6.00pm.

Signed:

Date:

Summary of Actions

No.	Action	Lead	Target Date
8/23i	Provide a report about what would happen in a disaster case if the Skills and Logistics Centre lease was withdrawn as well as how much time the College need to come up with an alternative location.	MC	June 23
21/23	Meet to review the likelihood scores and the links to the Development Plan in the risk register. This is delayed until the larger risk register project being undertaken by MC and SMcG is completed.	PS	Nov 23
25/23	Send Committee members a sensitivity analysis, budgeted balance sheet and cash flow statement.	MC	Nov 23
26/23	Following the meeting between MC and PS to review the Financial Regulations, circulate updated Financial Regulations to the committee.	MC	Mar 24
42/23b	Review the contents of the Annual Human Resources report.	MC	Mar 24
42/23c	Remove the list of recommendations from the Health and Wellbeing policy.	MC	Mar 24
44/23ai	Add a forecast figure for 2023-24 to the sustainability section of the Data Dashboard.	KE	Mar 24
44/23aii	Energy Spend: Circulate a report to the committee that includes the cost per KWH, including pre-pandemic data if it is available that demonstrates how the contracts have changed over the last few years.	KE	Mar 24
44/23b	Review how Capital Expenditure is reported to the committee.	MC/KE	Mar 24
44/23bi	Provide a report that details the total amount of capital funding and the plan for spend.	MC/KE	Mar 24
44/23c	Bring the Crisis Management Policy to the committee for review.	KE	Mar 24

Signed:

Date: