

Minutes

FINANCE & RESOURCES COMMITTEE MEETING

Date:	28 th November 2022	Time:	3.00 PM
Chairperson:	Glyn Howells	Location:	Via Microsoft Teams

Members	Name	Present	Role
1.	Glyn Howells (GH)	*	External Member
2.	Iain Wolloff (IW)	*	Principal & Chief Executive
3.	Sally Osmond (SO)	*	External Member (Chair)
4.	Sue Richardson (SR)	*	External Member
Apologies:	Peter Lambert (PL)		External Member
	Julian Cooper (JC)		External Member
In Attendance:	Richard Lee (RL)	*	Clerk to Corporation – Minute taker
	Cathy Wright (CW)	*	Director of HR and Support Services
	Didem Allen (DA)	*	Finance Director
	Jo Houghton (JH)	*	Director of Business & Partnerships
	Lee Hunt (LH)	*	Vice Principal
	Chris Mantel (CM)	*	External Auditor
Quorum:	3 required	*	3 present at start - meeting quorate

AGENDA ITEMS

Item No.	Part 1	Reports
1.	COMMITTEE MEMBERSHIP GH asked if the F&R committee was quorate. IW responded that it was quorate but noted voting for item 9 excluded IW and SR at which point the Committee would not be quorate; item 9 will instead be referred to the Board.	Verbal
2.	APOLOGIES FOR ABSENCE Apologies were received from PL and JC.	Verbal
3.	DECLARATIONS OF INTERESTS No declarations of interest were made.	Verbal
4.	MINUTES OF THE PREVIOUS MEETING 4.1 To approve the Part 1 minutes of the meeting held on 4 th July 2022. The Committee accepted the minutes as an accurate record. 4.2 To approve the Part 2 minutes of the meeting held on 4 th July 2022*. The Committee accepted the minutes as an accurate record.	Paper – p.2 Paper – p.10

<p>5.</p>	<p>MATTERS ARISING FROM THE MINUTES GH reviewed progress on actions from previous meetings.</p> <p>DA noted that legal costs in the budget have increased, in relation to expected PFI costs, but do not include pension costs.</p> <p>Costs have been reviewed for NCAT including staffing and services costs. GH asked when the Academy Trust merger is due to take place. DA responded April 2023. GH noted service agreements must be agreed before this date. IW noted that whilst most of the College service provision is charged at a fixed rate except premises support, the College intention is to end service provision. GH responded services such as insurance and utilities will usually keep running 6-9 months after handover. DA responded insurance and utilities are paid by the Trust, and the remaining costs are minimal.</p> <p>DA noted that outstanding debt might be written off to a value of £9,500; £7,000 of debt has been collected in the last 12 months. Remaining debt will go to debt collectors or be written off as credit notes, but this is not finalised. GH noted this action will be outstanding until complete.</p>	<p>Paper – p.12</p>
<p>6.</p>	<p>REVIEW OF TERMS OF REFERENCE SO reviewed and recommend to the Corporation the Finance & Resources Committee Terms of Reference. SO asked why statement 2 referenced quoracy as 3 members or 40% of the membership. SO asked why the appointment of the chair and vice chair referenced in point 1 and point 4 are contradictory.</p> <p>Action: Remove the reference to 40% of the membership.</p> <p>Action: Second paragraph of the first section of Membership to be struck out.</p> <p>Action: In reference to point 5, correct the personnel titles; Finance Director, Director of HR and Support Services and Director of Business & Partnerships should be standardised.</p> <p>GH asked subject to changes can these TORs be recommended to Corporation for approval.</p> <p>The Committee unanimously affirmed the TORs can be recommended to the Corporation.</p>	<p>Paper – p.13</p>
<p>7.</p>	<p>MONTHLY MANAGEMENT ACCOUNTS DA asked the Committee to review the management accounts for the two months to the 30th September 2022.</p> <p>The management accounts for the two months ended 30th September 2022 were presented. Forecast is adjusted for the expected increase in income from Local Authorities (Element 3) by £200k. YTD variances in other income lines are due to profiling timing differences. The October management accounts will enable a more in-depth review of income as the census date is passed and trends in other income streams such as apprenticeships and AEB emerge/become clearer.</p>	<p>Paper – p.16</p>

	<p>Staff costs forecast will also be updated following pay review completion.</p> <p>The cash flow forecast (page 7) predicts some further improvement to the cash position in the 'midyear dip', with the lowest point being 27 cash days in hand in March 23. This figure is above the ESFA threshold for concern at 15 cash days.</p> <p>DA noted that:</p> <ul style="list-style-type: none"> • FRS102 adjustments are non-cash entries that are difficult to predict. £210k is included in our staff costs and £151k in our operating expenditure. <p>DA raised Issues of concern summarised as:</p> <ul style="list-style-type: none"> • Timing of land sale income is not certain. • 16-19 Growth funding of £65k budgeted in 2022/23. The DFE could decide not to fund growth, or it is possible that we miss this key metric. • Increase in High needs income will result in additional staffing costs in that area, but this may be offset by other staffing cost savings in the early part of the year. <p>GH noted that the overall financial position is good, with little debt going beyond 3 months. GH asked for the date for the receipt of £3 million from land sales. DA responded it is June 2023. GH noted if these receipts are not received the cash flow position will require further action in August 2023 and so additional work must be undertaken to demonstrate the College would still be a going concern in this situation.</p> <p>IW confirmed that the pay rise does include staff in the football academy.</p>	
<p>8.</p>	<p>STUDENT ENROLMENT</p> <p>IW reported to the Committee on current enrolments for 2022-23, as of the 1st of November 2022. The overall position for student enrolments is summarised as follows:</p> <ul style="list-style-type: none"> • 16-18 Full-Time – the growth of 81 student enrolments this year is very positive, and includes growth in the revised art provision (moving to Graphic Design), additional numbers for media courses, the first T Level and transition pathway students, and the new football academy provision in Reading. The 16-18 student numbers are counted for funding purposes at the November census point, by which time there are typically some further withdrawals. Therefore, the full-year forecast is lower than the current enrolments, but higher than the budgeted number. • 14-16 School links – the growth of school link students is positive, as the provision is re-established following the pandemic restrictions, and is forecast to be better than the budgeted number. • 19+ Full time & 19+ Part-Time – there is a significant increase in enrolments for full and part time students funded by the Adult Education Budget (AEB) and by loans, primarily due to the significant numbers of distance learning students. Recruitment for adults continues throughout the year, particularly for distance learning. The forecast is that we will meet our budget target for AEB and loans. 	<p>Paper – p.24</p>

	<ul style="list-style-type: none"> • Community Learning – there is an increase of 102 students at this point, due largely to the provision for local refugees (from Ukraine, Afghanistan, and Hong Kong) and we are forecasting that the budget target of 680 will be achieved. • Apprenticeships – there is a current growth of 12 apprentices compared to the same point last year and the forecast is to meet the budget target of 255 (£1.025M income). The apprentice numbers include those undertaking higher and degree apprenticeships in the UCN. • UCN – the growth of 12 for the direct entry (non-apprenticeship) students in the UCN at this point is positive and is forecast to be above the budget target. <p>IW summarised potential improvements as:</p> <ul style="list-style-type: none"> • Overall growth in student numbers compared to the previous year • Modest income growth above budget possible for 16-18s and school links • Forecast achievement of budget targets for AEB, loans, community learning, direct entry UCN students, and apprenticeships. <p>GH noted the forecasting was accurate. GH asked the Committee to note the report and the positive variance to forecast.</p>	
9.	<p>PAY & CONDITIONS REVIEW* Please refer to confidential minutes.</p>	
10.	<p>ESFA FINANCIAL HEALTH & DASHBOARD IW review the ESFA letter confirming the financial health rating and dashboard The Committee is asked to review the ESFA letter on financial health and the associated dashboard. The Committee reviewed the previous letter and dashboard at its meeting in July. Following the submission of the ‘College Financial Forecasting Return 2022 to 2024’ (CFFR) an updated letter has been issued. The key points to note in the ESFA letter and associated dashboard are:</p> <ul style="list-style-type: none"> • The financial health score of ‘requires improvement’ is in line with our prediction and accords with what has been reported to Governors. • The dashboard records the fact that the college sector plans to have improved financial health overall, though the College remains as ‘requires improvement’ due to the significant effect of rising PFI costs. • The dashboard reflects improvements to some of our financial measures, as set out in the CFFR 22/24 (e.g. growth in income & student numbers, improvement of the cash-days-in-hand forecast). <p>GH noted the numbers look good, and the land sales will improve the financial position.</p> <p>GH noted the dashboard has been reviewed.</p>	Paper – p.26
11.	<p>ESFA & FEC UPDATE* Please refer to confidential minutes.</p>	Verbal
12.	<p>EXTERNAL FINANCIAL STATEMENTS YEAR ENDED 31ST JULY 2022* To consider and review reports: 12.2. Draft - Statutory Accounts 2021-22</p>	Paper – p.15

	Please refer to confidential minutes.	
13.	AOB	Verbal

- Confidential items