

Non Confidential Minutes

FINANCE & RESOURCES COMMITTEE MEETING

Date:	13 th March 2023	Time:	16.00 PM
Chairperson:	Glyn Howells	Location:	Via Microsoft Teams

Members	Name	Present	Role
1.	Glyn Howells (GH)	*	External Member (Chair)
2.	Iain Wolloff (IW)	*	Principal & Chief Executive
3.	Sally Osmond (SO)	*	External Member
4.	Sue Richardson (SR)	*	Staff Member
5.	Peter Lambert (PL)	*	External Member
6.	Julian Cooper (JC)	*	External Member
Apologies:	None		
In Attendance:	Richard Lee (RL)	*	Clerk to Corporation – Minute taker
	Cathy Wright (CW)	*	Director of HR and Support Services
	Don Everitt (DE)	*	Director of Finance
	Jo Houghton (JH)	*	Director of Business & Partnerships
	Lee Hunt (LH)	*	Vice Principal
Quorum:	Three required	*	Three present at start - meeting quorate

AGENDA ITEMS

Item No.	Part 1	Reports
1.	Apologies for Absence No apologies for absence were received.	
2.	Declarations of Interests No declarations of interests were made.	
3.	Minutes of the Previous Meeting To approve the Minutes of 28th November 2022 The Committee unanimously approved the Non-confidential Minutes of the 28th of November 2022.	Paper - p.2

	To approve the Confidential Minutes of 28th November 2022* The Committee unanimously approved the Confidential Minutes of the 28th of November 2022.	
4.	<p>Matters Arising from the Minutes</p> <p>RL reviewed the F&R action tracker noting the following actions had been closed:</p> <ul style="list-style-type: none"> • Removal of the reference to 40% of the membership in the TOR. • Removal of the second paragraph of the first section on Membership. • Correction of personnel titles; Finance Director, Director of HR and Support Services and Director of Business & Partnerships. 	Paper - p.12
5.	<p>Terms of Reference</p> <p>SO reviewed the F&R TOR. SO noted that no substantive changes had been made, rather all the TORS were standardized, and reconfirmed against the Instruments, Articles and Standing Orders. SO noted the intention is to present all the TORs and related documents to the FGB for approval; SO noted the TORs have been placed on the website ahead of the FGB.</p> <p>GH noted the F&R TOR contained a duty to elect a vice chair and asked for volunteers.</p> <p>Action: volunteers for the position of vice Chair should notify SO or RL (PL/JC).</p> <p>The Committee unanimously approved the TOR.</p>	Paper – p.13
6.	<p>Student Numbers</p> <p>IW asked the Committee to receive a report on current enrolments for 2022-23, at February 2023. As at February 2023, the overall position for student enrolments is summarized as follows:</p> <ul style="list-style-type: none"> • 16-18 Full-Time - the growth of 79 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. By the year end 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 	Paper - p.17

	<p>learning. The forecast is that we will meet our budget target for AEB and loans.</p> <ul style="list-style-type: none"> • Community Learning – there is a small decrease of 11 students at this point, but we are forecasting that the budget target of 680 will be achieved. • Apprenticeships – there is a current growth of 22 apprentices compared to the same point last year but the forecast is below the budget target of 255. The apprentice numbers include those undertaking higher and degree apprenticeships in the UCN. JH noted that a new issue - apprentices leaving employment without notification - has resulted in a reduction in student numbers. • UCN – the growth of 42 for the direct entry (non-apprenticeship) students in the UCN at this point is positive (enhanced by the short courses in robotics) and is forecast to be above the budget target. <p>IW noted that growth in student numbers compared to the previous year had resulted in:</p> <ul style="list-style-type: none"> • Modest income growth above budget possible for 16-18s (resulting in additional in-year growth funding) and school links • Forecast achievement of budget targets for AEB, loans, community learning, and direct entry UCN students. <p>IW cautioned that apprenticeship numbers are currently forecast below the budget target.</p> <p>SO asked if apprentices that are made redundant can continue their apprenticeship in another job. JH responded that they can if subsequent employment is taken on within 12 weeks. GH asked how much of the UCN forecast of 40 students was due to the short courses on robotics. JH responded 23 students are undertaking robotics courses. GH asked if another subject have similarly positive variance. JH responded that access is a positive course in relation to nursing and midwifery, but retention remains a challenge. JH noted recruitment for 2023-2024 in access and engineering is positive. IW noted that application data will be reported at the C&Q meeting but that in general terms application numbers are positive.</p> <p>GH noted the report was received by the F&R Committee.</p>	
7.	<p>Monthly Management Accounts</p> <p>DE asked the Committee to review the management accounts for Feb 2023, the current forecast for 22/23 and the two-year cashflow position. The forecast has been adjusted by reversing the previously expected increase in income from Local Authorities (Element 3) of £200,000, i.e. an adverse £(200,000) adjustment. The original change appears to be an error in the interpretation of information. Other forecast changes approximate to net nil. There remain aspects of the I&E that</p>	Paper - p.19

require further review and consideration from the forecast perspective. It is of note that at the 6-month point, the college reports a deficit that is £219,000 better than that budgeted for the half year. DE cautioned cash availability remains a key concern.

DE noted that it is planned to improve the format of future management accounts so that they more closely align with the ESFA exemplar.

DE noted there are a number of changes to forecast, however, overall, the revised forecast is similar to the original budget.

DE cautioned that the:

- Timing of land sale income is not certain though it is nevertheless included in the cashflow forecast.
- Land sale income is required to avoid the risk of a cash deficit position in the relatively near future (8 cash days in August).

GH noted that not cascading budgets down to budget holders would be a basic breach in controls resulting in money being spent that has not been approved by Governors. GH noted that the SLT holds the responsibility for managing this budget difference, notably with regard to the football academy budget.

GH noted that in relation to the cash forecast, daily cashflow monitoring may need to be produced. GH asked what the latest position was on the receipt of monies from land sales. IW responded that the developers' planning appeal is progressing, and a new application has been submitted; the appeal is scheduled for May and should result in a specific determination. The developers have increased levels of engagement with the planning department which may result in a series of issues being agreed ahead of the appeal. IW noted that a £367,000 capital receipt is also scheduled for August 24 pursuant to planning for the small land sale being received.

Contingency Planning - Refer to Confidential Minutes.

GH asked what the chances of deferring capital expenditure until after funding is received were. IW responded that some funds, such as T level funding, are subject to time limits; some funding is linked to ongoing projects such as refurbishing the learning resource center, but this might increase the cost of works. IW noted that moving forward the SLT will review what can be done to improve the College's financial position including sources of income not included in the forecast. DE noted the timing of raising invoices on the LA (for element 3 high needs) has been moved forward generating funds prior to August.

Action: assess what can be done with working capital to extend positive cash flow (DE).

8.	<p>Gender Pay Gap Report</p> <p>CW asked the Committee to consider the annual gender Pay Gap Report and recommend approval to the Board. The Committee was asked to review the information provided in the report, which gives a summary of the Gender Pay Gap at Newbury College on 31st March 2022. This report will be published on our Web Page in accordance with statutory guidance and the data input into the Government reporting system.</p> <p>Overall, 73% of our staff are female, our mean gender pay gap has significantly reduced this year and is in line with the College sector, where total employee numbers are between 250 and 499.</p> <p>A Gender Pay Gap (GPG) shows the differences in the average pay between all males and female in a workforce. It is represented as a percentage, where a positive number is a pay gap in favour of males, and a negative number is a pay gap in favour of female.</p> <p>The Gender Pay Gap is different from the Equal Pay Gap. The Equal Pay gap deals with the pay differences between males and females who carry out the same jobs, similar jobs, or work of equal value.</p> <p>After seeing our mean gender pay gap reducing in 2021, this year's data continues to reduce, it has now narrowed to a gap of 13%, slightly above the education average of 11%. Our median gender pay gap has decreased by 5% year on year, though at a higher than desired 27%. The benchmark group has an average 17% gap.</p> <p>Minor changes in our staff profile, can result in a change of the pay gap, our headcount has grown by 65 heads on the snapshot day, which has made a difference to the calculations.</p> <p>CW noted curriculum support staff make up around 44% of the workforce, they are predominantly women (83%) and are in Quartile one.</p> <p>CW noted that:</p> <ul style="list-style-type: none">• The College has a sizeable majority of female employees.• The split of male to female within the management team continues to closely reflect the overall demographic of the College. <p>CW cautioned the difficulties in recruiting key staff within construction and engineering will increase the gender pay gap unless we are able to attract female teaching staff.</p> <p>GH asked if the strategies the College has in place will improve the gender balance over time. CW responded that so long as there is a gender imbalance in the lower paid support work role, this gap will remain. CW noted some changes, that would impact the gender imbalance, could be introduced in the teaching area, specifically boosting sub £30,000 wages. The Football academy employs a</p>	Paper - p.28
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	<p>significant number of men in lower paid coaching positions that will affect the current position. IW noted that salaries reflect areas with traditionally male teaching areas such as construction and engineering, where teachers can demand a premium.</p> <p>GH asked if the actions in the report will improve things. CW responded increasing support work pay and tiered payments, and staff breakdowns might improve the situation.</p> <p>GH asked if positive discrimination should be considered. CW responded most staff are female, but the highest salaries are all male.</p> <p>Action: complete a staff breakdown, compare to other colleges, and create an action plan (CW).</p> <p>The Committee approved the report for publication.</p>	
<p>9.</p>	<p>IT Services</p> <p>CW reported on IT resources and cyber security to the Committee. The Committee was asked to note the report and discuss any points of interest. The Governors asked for regular updates on how the College provide IT resources and regular updates on Cyber Security.</p> <ul style="list-style-type: none"> • Device management has been introduced for any member of staff accessing College services over personal devices. • Introduction of new modules for our MIS (Management Information System) system to support our students. • Introduction of software to our network devices to reduce the power that they use to support the reduction of our carbon footprint. <p>CW noted:</p> <ul style="list-style-type: none"> • The College will continue to invest in facilities as required by the T-Level implementation. • The number of devices supported by the IT team continues to increase, up 16% on last year. • We have gained Cyber Essentials accreditation again. <p>CW cautioned that the Education sector is experiencing 80% of all malware attacks across industries (Microsoft), equating to 6.5million devices that have encountered malware in the last 30 days.</p> <p>PL asked if the College has experienced any malware attacks. CW responded they have not, but disaster recovery and business continuity plans are being revised to cope in that eventually. GH asked if there is an education specific assessment against controls. CW responded that JISC do this assessment as well as providing recovery services.</p>	<p>Paper - p.37</p>

	Action: future updates should include a self-assessment report with key College KPIs (CW).	
10.	<p>Finance Transition Plan</p> <p>IW asked the Committee to receive an update on the finance transition plan. IW noted that DE is the interim finance director (FD). IW noted that moving forward, the monthly management accounts and forecast will be more accurate as the financial situation is better documented.</p> <p>IW noted that moving forward 2 FDs were interviewed, but neither were suitable for the College. IW proposed a higher paid FD is hired on a pt basis; 6 applications have been received and interviews will begin shortly. A new Finance Manager will start on the 20th of March, which should allow the FD to focus more on the strategic leadership of finances. IW asked if GH could review the technical tests for interviewees prior to the interview process. GH affirmed he could.</p>	
11.	<p>Strategic Development Committee*</p> <p>Refer to Confidential Minutes.</p>	Paper - p.40
12.	<p>Policies</p> <p>SO asked the Committee to consider the Financial Reserves Policy and recommend the Policy for FGB approval. SO noted that MH had asked at the FGB for a financial reserves policy to be created. SO noted the policy was present in a range of documents but has now been compiled into a single policy. GH noted the finance and reserves policy needs to show an intention to budget to meet a surplus, use that surplus to meet the Colleges strategic needs and, if the cash reserves drop to below a two month minimum level of reserves (c.£2,000,000), share information more regularly. GH noted that as cash reserves are below £2,000,000 monthly cash flows are now required for distribution to all corporation members, and at a future date more frequent cash flow calculations may be required.</p> <p>The Committee unanimously approved recommending the Financial Reserves Policy to the FGB.</p>	Paper - p.49
13.	<p>AOB</p> <p>None.</p>	

*Confidential items