



**Minutes of the Meeting of the Resources Committee Held on 29 November 2022
Commenced at 6:15pm via MS Teams**

Present

Gideon Schulman (GS) (Acting Chair)
Viresh Paul (Chair) (Joined late)
Annette Cast (Principal)

In Attendance

Bob Pattni (DP - Finance and Planning) (BP)
Robert Heal (Director of Governance) (RoH)

Observer

Mike Bluestone (MB)

1. Chair's Opening Remarks

GS welcomed all to the meeting and thanked BP for papers. Introduced MB as an observer.

2. Apologies for Absence

No Apologies

3. Conflicts of Interest

There were no conflicts of interest noted.

4. Minutes of the Meeting Held on 21 June 2022

The minutes of the meeting held on 21 June 2022 were taken as an accurate record.
The Action Points were reviewed and noted that all points had been completed.

5. Matters arising

None

6. Annual Selection of Chair / Vice Chair

Item omitted as Chair not present

VP Joined late

7. HR Report Full Year 2021/22

BP overviewed paper, noting we have a good mix of staff equality & diversity, highlighted staff sickness scores and added that CPD has improved with good headway on staff qualifications. Governors challenged if there were any learnings we could make and noted that sickness doubled during Covid. BP, we need to address absence and manage more closely.

HR action plan to address absence to next meeting- HR

RECOMMENDATION

NOTED

HR REPORT

8i. Draft Financial Statement to July 2021

BP overviewed the draft statement. Especially noting that we have met all financial targets, audit opinions are clean and the college remains a going concern. Key points were turnover increased to £13m, there was an actuarial pension gain, there is a potential post balance event and it was announced today that ONS had advised that Colleges had been integrated into government and that Financial Rules would change appropriately.

Governors confirmed understanding and asked how have these accounts fared to previous positions reported in year. BP confirmed that outcomes were broadly as previously reported. Governors challenged the financial impact of the post balance sheet event. BP explained that currently it is not recorded in the accounts and we are in discussion with the supplier and auditors. The categorisation changed but doesn't impact the figures. BP explained that the college had set aside an accrual against estimated invoices, but had challenged those invoices. The debt has subsequently been re-estimated and we are in a position to settle, but they have again estimated the final value, so we are reluctant to put into the accounts. We are expecting them to finally respond with a full and final settlement after Board has met to approve the draft statement. Governors examined the revised estimate, accrual and provision. Governors then explored the wider financial impact.

Governors challenged if the management accounts were prudent and correct and if Audit has approved them. BP confirmed and RoH confirmed the next step was to present to Board

RECOMMENDATION**APPROVED****DRAFT STATEMENT TO GO TO BOARD FOR APPROVAL****8ii. Management Letter**

Nothing of significance to report. Review of all transactions and reported as a going concern with no items above or below the threshold.

RECOMMENDATION**NOTED****MANAGEMENT LETTER****8iii. Letter of Representation**

BP explained, this is a standard letter with no significant observations. Audit have approved. Governors noted that the post balance sheet event needs adding if settled in time. BP confirmed he would check with Auditors to see if any change was needed.

RECOMMENDATION**APPROVED****LETTER OF REPRESENTATION TO BOARD FOR APPROVAL****8iv Initial Financial Assessment**

BP explained that the college has been assessed as Outstanding and Forecast to be Outstanding for next year. Governors offered congratulations to team.

RECOMMENDATION**NOTED****INITIAL FINANCIAL ASSESSMENT**

8v ESFA Financial Assessment

BP overviewed. We are working to ESFA and DfE guidance and have a good report. The area of improvement is pay to income ratio, relating to reduced learner numbers. Governors asked what is the impact? BP overviewed. Governors challenged whether this included self-employed staff and this was confirmed. Governors challenged how has the % changed over the years. BP, explained that pay awards and staffing increases have caused this to increase but income has not gone up. Governors asked, will bank loans be affected by the ONS statement? BP, no, there is a submission to DfE of any existing bank loans. However, any future borrowing will only be with permission of DfE.

Governors reviewed the dashboard.

RECOMMENDATION**NOTED****ESFA FINANCIAL ASSESSMENT****8vi LGPS Pension Actuarial Report**

BP explained that the liability has swung from negative to positive. We report actual value, but expect the swing to reverse next year. We may see a higher contribution then.

RECOMMENDATION**NOTED****LGPS PENSION ACTUARIAL REPORT**

GS left the meeting and VP took over as Chair. The committee remained quorate with two members present.

9i. College KPI

BP reviewed performance

- Overall College Attendance Rate as at the 31st October was 77.5% against a target of 85%
- Overall College Punctuality as at the 31st October was 85.9% against a target of 95%
- ESFA 16-18 Enrolment Target is 1482 on the 31st October our 16-18 funded headcount is currently 1426 with recruitment still ongoing, that's a decrease of -56 against our allocation
- ESFA 16-18 Funding allocation is £8,523,064 as at the 31st October our 16-18 funding is £8,018,721 as per funding being generated by our ILR
- ESFA 19+ & GLA Target is 2400 enrolments (1200 heads) as at the 31st October our 19+/GLA enrolment is 2214 enrolments (973 heads) as per our ILR
- ESFA & GLA Funding Target is £2,066,502 as at the 31st October is £1,683,817.
- ESFA 19+ Loan funding Target is now £296,443, as at the 31st October our loan funding is currently £81,210 learners are still applying and awaiting approval with the Student Loan Company
- Key Financial Indicators are RAG rated Outstanding, and the YTD Surplus is £8k, staff cost/cash ratio £2.85:£1 for the end of September 22

No questions asked

RECOMMENDATION**NOTED****KPI's****9ii Risk Register**

BP noted this was an early in year version, and that it had been reset at commencement of academic year. It will improve over time.

RECOMMENDATION

**NOTED
RISK REGISTER**

10i. Monthly Management Accounts to 31 October 2022

The management accounts were reviewed and culminated with a Forecast Year Surplus of £57k to 31 July 2022.

For 2022/23, the College is still recruiting for all learner targets. As the College is still recruiting learners, the College will remain prudent, reporting improvements in the Forecast Surplus when actions/ bids have crystallised. There are also concerns in the actuarial valuation of LGPS pensions which is affected by external market conditions which are beyond the College's control. For the previous year 2021/22, the pension liability has moved in the College's favour however, with higher CPI rates, this gain is likely to significantly swing back to a liability position by July 2023. BP also noted pay to income ratio rising.

**RECOMMENDATION
NOTED
MANAGEMENT ACCOUNTS YTD**

10ii. Monthly Monitoring Report

BP overviewed the report and noted we are requiring to draw down on learner funding.

**RECOMMENDATION
NOTED
MONTHLY MONITORING REPORT**

10iii. Financial Regulations Policy

Reviewed and noted good practices. No significant changes. By and large the policy remains the same.

**RECOMMENDATION
APPROVED
FINANCIAL REGULATION POLICY**

10iv. Treasury Management Policy

With higher bank base rates, we have opportunity generate high interest in short term. We would be looking to invest within guidelines proposed. Governors challenged; do we need external advice?

BP this is simply Barclays Bank Treasury Market, with fixed deposit over several months and guaranteed returns, no financial advice is needed.

**RECOMMENDATION
APPROVED
TREASURY MANAGEMENT POLICY**

10iv. Bank Loans Update

The report considers the option to repay our remaining loan earlier than the stated period. Paper to follow in future once firmer decision on requirements has been established. (amended post 14 March meeting)

**RECOMMENDATION
NOTED
BANK LOANS UPDATE**

11i. Sub-Contract Policy

BP overviewed changes.

RECOMMENDATION

APPROVED

SUB CONTRACT POLICY

11ii. Direct Delivery Report

BP overviewed the reason for satellite centres having reduced learner numbers and staff resignations. AC suggested that there is not a lot that we can do at moment, but we are seeking legal advice. AC noted the focus of the College in future was towards its community aspirations and outlined the likely strategy of the College with relevance to Satellite services. It was noted that the Government is leaning away from Sport as a skill and the public purse is not likely to cover this in future. To futureproof the college, we need to review Direct Delivery.

Governors asked to see satellite strategy at next meeting. – Action

AC this will also be at the December Board

RECOMMENDATION

NOTED

DIRECT DELIVERY REPORT

12. Property Matters

Reported in confidential minutes

RECOMMENDATION

NOTED

PROPERTY UPDATE

13. Outstanding Governance Plan

RoH overviewed the committee actions and suggested tasking the Executive with the future development of an Environmental Sustainability strategy in conjunction with C&Q Committee.

Environmental sustainability strategy - Action

RECOMMENDATION

APPROVED

OUTSTANDING GOVERNANCE PLAN ACTIONS

14 Policies

BP reviewed,

Sickness Policy (Revised following Board)**DBS Policy****Family Schemes Policy****Flexible Working Policy****Health & Safety Policy**

Governors challenged changes and reasoning

RECOMMENDATION**APPROVED****POLICIES****16. Any Other Business**

None

17. Meeting Review**18. Date of next meeting - Tuesday 14 March 2023 at 6.15pm, online.**

The meeting closed at 7:45pm

Signed

Chair

Date

**Meeting continued with Part 2 Confidential
MB & GS Left the meeting****Action Points**

Item	Action	Responsible	Timescale
7	HR action plan to address absence	BP/ LE	March 2023
11ii	Update on Direct Delivery Strategy	AC	March 2023
13	Development of Environmental Sustainability Strategy	BP / LV	July 2023