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| **MINUTES** |
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| *Finance and Resources Committee No 39* |
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| Date: |   | *28/06/2022 (Tuesday)* |   | Time: |   | *18:00–20:00* |
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| Venue: |   | *Via Teams* |   | Committee: |   | *Finance and Resources* |
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| Notes: |   | *The Chair has agreed the meeting will be held online via the Teams Platform.* |
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| Present: |   | *Alison Robinson (Principal), Allan Foster, Clare James (Vice Chair), David Hall, Rafik Adam, Rosie Bryson (Co-opted Member) and Sue Collinge (Chair)* |
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| Attending: |   | *Janet Whiteside (Director of Finance), Joanne Sherrington (Deputy Principal), John Wherry (Deputy Principal) and Steven Downham-Clarke (Vice Principal)* |
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| Clerks: |   | *Ron Matthews (Clerk)* |
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| ***Public* Minutes** |
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| Item number: | Item description: |
| (and category) |   |
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| **21.22** | ***Attendance of College Management*** |
| ***Decision*** | Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states:College management and/or consultants may attend meetings by invitation in an advisory capacity.**Resolved:****That** **College Management Staff attend the meeting.** |
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| **22.22** | ***Apologies for Absence*** |
| ***Decision*** | Apologies had been received from Allan Foster. |
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| **23.22** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 38 held on Tuesday 1 March 2022 (published on the extranet) were agreed and signed as a true and correct representation of the meeting. |
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| **24.22** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **25.22** | ***Strategic Plan Progress Report*** |
| ***Decision*** |

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| The Committee considered the Strategic Plan Progress Report for the Finance and Resources Committee. The key performance indicators related to income, the Capital Plan, Human Resources Statistics and Financial Performance. The report was based on the Strategic Goals of People and Sustainability. The majority of performance indicators were above, on or just below target. |

The targets under People related to student satisfaction and in general these expressed good/strong responses. Responses to the staff survey were below the target of 55% at 47.1%. Digital learning was the only area below target for student satisfaction.The remaining financial indicators were on target apart from HE numbers and adult apprentices. Recruitment to FE was above target although this included an increase in projected subcontracting students. The Capital Plan was anticipated to be delivered within target.**Resolved:****That the report be received.** |
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| **26.22** | ***Financial Position Statement for the Period Ended 30 April 2022*** |
| ***Decision*** | The report was presented by the Deputy Principal, Finance and Corporate Services. The report included a statement of comprehensive income together with a detailed analysis. The statements showed the actual results for the period up to 30 April 2022, together with the outturn for 2020/2021, the budget for 2021/2022 (revised December 2021), which was approved by the Board in July 2021 and the Forecast for 2022/23. The Balance Sheet as at the period end was also included, together with details of Cash Flow for the year to 30 April 2021 and forecast Cash Flow to July 2022.Overall College income was £25.883m against a budget of £26.146m.Surplus income of £1,552k was £93k behind budget. A reduction in income owing to limited commercial and student related activities (due to reduced footfall on campus) had been offset by cost savings. EBITDA to income of £3,125k was £147k behind budget but remained healthy.  The actual payroll to income ratio was 56.2% against a forecast of 55.8% and original target of 57.6%. Cash balances at the period-end were £12.428m compared to a forecast of £11.063m. Cash days stood at 132 days. Ventures departmental accounts shows the overall margin, excluding the farm, was £921k against a forecast of £910k, £11k ahead and in a promising position given the challenging circumstances. Including the farm, the margin is £720k against a forecast of £813k a variance of £53k. The overall margin excluding the farm result was 33% and 20% with the farm losses included, against a control budget forecast of 34% and 22% respectively. The report included the full details of capital expenditure. This was currently £1.75m against a revised budget of £2.904m, which included the additional funding of £695k from the ESFA.The comparison to the FE Commissioner's financial benchmarks remained positive.The Financial Health Forecast Grade continued to reflect outstanding.Also considered within the financial report was a farm monitoring report.The approved capital expenditure for the year was £2m, of which £718k has been brought forward from unspent 20/21 approved capital expenditure due to supply issues largely as a result of covid. An in-year allocation of £479k has been included for the Skills Accelerator project, which was offset by a matching capital grant from the ESFA. The College has still to spend £1,603k in the year on capital projects with grant funding of £509k. **Resolved:****That the report be received.** |
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| **27.22** | ***ESFA Financial Health Grade 2020/2021*** |
| ***Decision*** | The Committee considered a letter from the ESFA confirming the Financial Health Grade for 2020/2021 as Outstanding.Also attached with the letter was a copy of the ESFA Dashboard together with guidance on how to download and view it on a regular basis.**Resolved:****That the correspondence be noted.** |
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| **28.22** | ***Bursary Allocations 2022/2023*** |
| ***Decision*** | The Committee considered the review of the HE Bursary Fund Policy, Procedure and Allocations for 2022/2023. Only minor amendments had been made to the Policy and Procedure from the previous year.**Resolved:****1.  That the Bursary Fund Policy and Procedure be agreed as**  **remaining fit for purpose.****2.  That the allocations for 2022/2023 be noted.** |
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| **29.22** | ***ONS Review of College Status*** |
| ***Decision*** | In May 2022 the Office for National Statistics (ONS) published its updated workplan. A new addition to be completed in quarter 3 July to September 2022 is a review of the sector classification of FE Colleges, as follows:‘From 1 April 2012, Further Education Colleges (FECs), Sixth Form College Corporations (SFCCs), and institutions designated as being in the FE sector (Designated Institutions), in England, have been classified to the non-profit institutions serving households (NPISH) sector (S.15) in the UK National Accounts. This followed the introduction of the Education Act 2011, which resulted in these colleges being reclassified from the central government subsector (S.1311).'Following the Skills for Jobs White Paper published in January 2021 and subsequent legislative changes with the aim of improving the skills and post-16 education sector in England, ONS will carry out a review of the sector classification of FECs, SFCCs, and Designated Institutions, in England in the context of the latest international guidance. As part of this process, ONS will consider the content of the Post-16 Education Act 2022 alongside other relevant Acts, such as the Education Act 2011 and the Further and Higher Education Act 1992.**Resolved:****That the report be noted.** |
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| **30.22** | ***Skills Development Fund Phase 2*** |
| ***Consultation*** | On 1 April 2022 the Government launched the Strategic Development Fund Phase 2. Governors were informed that the College was successful, together with the Lancashire Colleges Group, in securing c£.9m funding from the pilot fund in 2021.The Lancashire Colleges Group was again preparing a bid to the fund of which the Myerscough element would be £464,354, together with a contribution from the College of £250,000.The closing date for the submission of bids was the 13 May 2022. The Chair was therefore approached to confirm that he was happy for the College to lead the SDF2 bid and to support the element of the bid featuring Myerscough, to which he agreed. He did so after consultation with the other three Chairs.A copy of a report by the Principal on the bid was attached.The result of the bid was still unknown.The Committee are asked to recommend to Corporation the endorsement of the Chair's agreement to submitting the bid.**Resolved:****That the Committee recommend that Corporation endorse the decision of the Chair in agreeing to the submission of a bid along the lines outlined above.** |
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| **31.22** | ***Strategic Risk Register*** |
| ***Decision*** |

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| The Committee considered the Strategic Risk Report for 2021/2022 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.The Deputy Principal had reviewed the Register, which now matched the Strategic Aims of the College. |

**Resolved:****That the report be received.** |
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| **32.22** | ***Human Resources for the Period Ended 30 April 2022*** |
| ***Decision*** |

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| The Committee considered the Human Resources Report which contained an analysis of staff turnover, breakdown analysis of leavers, a staff stability index and staff sickness statistics for the year up to 30 April 2022.The Committee noted that staff turnover had increased to pre-pandemic levels, currently at 14.74% (12.3% in 2021) and in line with national benchmarks. The average number of working days lost due to sickness at the College was 4.64 days and lost time percentage was 1.78%. During the same period last year, the average number of working days lost due to sickness at the College was 4.09 and the lost time percentage was 1.57%.Long term sickness stood at 7 employees, compared to 6 at the same time last year.There have been 76 additional vacancies this quarter. For the College the Stability Index remains within a healthy range. The stability figure for this quarter was 75%, compared with 76% in the previous quarter. The general benchmark figure for stability is 75-85%. **Resolved:****That the report be received.** |

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| **33.22** | ***Health and Safety Report for the Period Ended 30 April 2022*** |
| ***Decision*** |

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| Members considered the Health and Safety Report for the period ended 30 April 2022, which provided an analysis of accident statistics over the period, together with other Health and Safety activities, including policy updates, staff training, free health checks, auditing and inspections.Analysis indicated a rise in the number of accidents reported during the last quarter. This was due to the College becoming more populated as the lockdown eased with figures at the pre pandemic levels. However, of the current accidents reported:29  (24%) were taken to hospital57  (47.5%) received first aid treatment34  (28.5%) needed no treatment |

76% of accidents were either treated on site or required no treatment.

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| There were no RIDDOR reportable accidents during the period.There were no identified trends from the current locations of the accidents.The report included details of recent audits, training and drills.  |

**Resolved:****That the report be received.** |