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| **MINUTES** | | | | | | |
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| *Finance and Resources Committee No 37* | | | | | | |
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| Date: |  | *30/11/2021 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Via Teams* |  | Committee: |  | *Finance and Resources* |
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| Notes: |  | *The meeting will be held via video conference on the Teams platform.* | | | | |
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| Present: |  | *Alison Robinson (Principal), Clare James (Vice Chair), David Hall, Rafik Adam 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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| Guests: |  | *Allan Foster and Charlotte Walsh (External Auditor)* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **73.21** | ***Attendance of College Management Staff and External Auditor*** |
| ***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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| **74.21** | ***Apologies for Absence*** |
| ***Record*** | Apologies had been received from the Principal, Alison Robinson. |
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| **75.21** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 36 held on Tuesday 14 September 2021 (published on the extranet) were agreed and signed as a true and correct representation of the meeting. |
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| **76.21** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **77.21** | ***Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2021 and the Audit Findings Report*** |
| ***Decision*** | |  | | --- | | The Committee considered the above documents, which included the draft Findings Report for the year ended 31 July 2021 together with the draft Auditors Report & Financial Accounts for the same year. Charlotte Walsh, of RSM External Auditors, was in attendance and presented the report.  The key points of the Audit Findings Report highlighted:   * RSM had nothing to report in respect of additional audit, accounting and regularity issues identified during their audit and regularity work. * no unadjusted or adjusted misstatements in the financial statements. * gave a true and fair view of the state of the College’s affairs as at 31 July 2020. * had been properly prepared in accordance with United Kingdom Generally Accepted Accounting. |   Charlotte Walsh thanked Janet Whiteside and her team for the assistance given during the audit.  The Audit Findings Report had been considered previously by the Audit and Governance Committee.  The Committee thanked Charlotte for her presentation and work on the audit.  **Resolved:**  **That the Financial Statements and Audit Findings Report for the year ended 31 July 2021 be accepted as presented and recommended to Corporation for approval.** |
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| **78.21** | ***Strategic Plan Progress Report*** |
| ***Decision*** | |  | | --- | | 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 new Strategic Goals of People and Sustainability.  Staff sickness, retention and the Riddor accident rate were all better than the agreed targets. The remaining targets under People related to student responses to 'feeling safe' and these were slightly below target.  Sustainability indicated that current surplus was behind target due to the impact of the pandemic.  The remaining financial indicators were on or close to target apart from HE income which was behind target and was a significant factor in terms of finance.  Recruitment to FE was slightly below target but likely to improve. The Capital Plan was anticipated to be delivered within target.  Further information on the financial position of the College would be given as part of the report on the financial position statement.  **Resolved:**  **That the report be received.** | |
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| **79.21** | ***ESFA Correspondence*** |
| ***Decision*** | The Committee considered a letter from the ESFA indicating that the College's Financial Health Grade for 2020/2021 was Outstanding and for the current year 2021/2022, based on the agreed budget, would be Good. The correspondence had previously been reported to Corporation on 2 November 2021.  Also circulated with the letter was a financial dashboard compiled from the financial returns from Myerscough and other colleges.  **Resolved:**  **That the correspondence be received and Officers be congratulated on the excellent financial performance.** |
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| **80.21** | ***Financial Position Statement for Period Ended 31 October 2021*** |
| ***Decision*** | The report was presented by the Director of Finance.  The report included a statement of comprehensive income together with a detailed analysis.  The statements detailed the actual results for the period up to 31 October 2021 together with the actual outturn for AY2020-21 and the budget for AY2021-22 approved by the Board in July 2020. The Control Budget would be presented to Corporation in December 2021 and the forecast year-end position will be updated throughout the year. The report included the current Balance Sheet as at the period end and details of the Cash Flow for the year to 31 July 2022 together with forecast Cash Flows to July 2023. Variances in the report were compared to the budget approved in July 2021.  The actual surplus of £494k was £181k behind budget mainly due to HE numbers being below target.  The report also indicated a positive result when compared to the FE Commissioner benchmarking targets. It stated in the detail of the letter that the FEC may apply a payroll cost to income ratio of 55% for land-based colleges, if appropriate. This was lower than the current operating rate of 57.4% and the Strategic Plan rate of 57%.  At period end both cash balances of £12.697m and 149 cash days remained very strong.  16-18 funding was released in line with the contract, funding is based on lagged student numbers, therefore any reduction in student numbers would not be reconciled until the following year. However, initial student counts indicated that contracted student numbers will be exceeded.  Adult Education Budget non-devolved has been released in line with budget until this can be reconciled once the first ILR has been submitted. Initial enrolments and plans indicate the contract will be met.  Apprenticeships - £7k ahead of budget.  The Farm was currently reporting a loss of £133k behind budget by £71k.  **Resolved:**  **That the report be received.** |
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| **81.21** | ***Farm Monitoring Report*** |
| ***Decision*** | The Deputy Principal, Resources, presented the Farm Monitoring Report up to 31 October 2021.  As reported in the financial update the Farm was 71k behind budget.  Governors sought clarification regarding some of the terms used in the report to which the Deputy Principal responded.  The performance of the farm would continue to be closely monitored through the remainder of the year.  **Resolved:**  **That the report be received.** |
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| **82.21** | ***Student Union Accounts for the Year Ended 31 July 2021*** |
| ***Decision*** | |  | | --- | | Consideration was given to the Student Union annual accounts for the year ended 31 July 2021. In 2020/2021 the Students Union did not receive any grant from the College as they had a healthy financial balance.  The MSU accounts showed a loss for the year of £7,419 whilst the balance sheet remained at £13,007.64. Of this £6,334.68 remained payable to the College.  Governors asked why the accounts included payments to the College. It was explained that the College often paid for goods on the Union's behalf and then reclaimed the money.  The Committee expressed satisfaction with the accounts. | |  |   **Resolved:**  **That the Myerscough Student Union Audited Annual Accounts for the year ending 31 July 2021 be agreed.** |
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| **83.21** | ***Tuition Fees 2022/2023*** |
| ***Decision*** | The Deputy Principal, Finance and Corporate Services, presented a report on the FE Tuition Fees for 2022/2023 including a revision of the current policy.  The purpose of the policy was to provide a framework within which the College’s fees and refunds setting processes were devised and operated. The policy outlines the factors that influence the level of fees, charges, refunds and waivers made by the College for its education, training and commercial services and seeks to ensure that:   * the College’s approach to tuition fees, other charges and refunds is fair, equitable and clear and based on relevant guidance; * any barriers to participation presented by tuition fees and associated charges are mitigated by providing flexible payment options and/or by assisting students to access appropriate financial support; * all obligations in respect of payment of fees are clearly shown; * any refunds and waivers are fair and applied in a timely fashion.   The paper for the FE Tuition Fees last year included details of relevant fees but did not include a revision of the policy. The paper only covered the FE Fees. The Deputy Principal had therefore updated the current policy along with the policy for 2022-23.  The FE fees chargeable are now outlined by the ESFA and the College  agreed to follow these recommendations.  The revised policy sets the overarching rules that the College applies to set fees rather than looking at individual courses, which allows College staff to apply correct pricing to any new courses that arise in the year. The Policy then referenced the most up to date guidance available.  **Resolved:**  **That the Corporation be recommended to approve the revised FE Fees Policy for 2022/2023.** |
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| **84.21** | ***Overseas Visits Policy - Review*** |
| ***Decision*** | The Committee considered the review of the Overseas Visits Policy as presented by the Deputy Principal, Finance and Corporate Services.  The Policy was substantially re-written last year and so minimal changes were needed in the current review. The minor amendments to the Policy related to Covid requirements.  At present the Covid Group have not approved any overseas visits for College staff or students.  **Resolved:**  **That the revised Overseas Visits Policy be approved.** |
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| **85.21** | ***Strategic Risk Register*** |
| ***Decision*** | 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. Covid and Cyber Security remained two of the main risks identified.  **Resolved:**  **That the report be Received.** |
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| **86.21** | ***Human Resources Report for the Period Ended 31 October 2021.*** |
| ***Decision*** | |  | | --- | | The Committee considered the above report, which contained analysis of staff turnover, breakdown analysis of leavers, staff stability index and staff sickness statistics for the year up to 31 October 2021. |   The Committee noted that staff turnover was currently better than target at 13.6% and also an improvement on the National average for colleges of 18.2% and the North West average of 15.8%. Turnover remained reasonably static mainly due to the Covid pandemic and the resulting economic uncertainty. For the last quarter the College appointed 72 candidates and advertised 140 vacancies.  Overall staff sickness was being closely monitored and was currently at 1.71%, better than the target of less than 3%. The AoC benchmark was also 3%. Long term sickness of 7 employees was just above the target of 6.  **Resolved:**  **That the report be received.** |
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| **87.21** | ***Health and Safety Report for the Period Ended 31 October 2021*** |
| ***Decision*** | |  | | --- | | Members gave consideration to the Health and Safety Report for the period ended 31 October 2021, 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.  Overall, accidents had increased from 56 to 93 for the same period last year a consequence of the Covid pandemic which resulted in a being a reduced number of staff and students on campus. However, this was lower than the same period in 2019 when there were 107 accidents. There was one RIDDOR reportable accident during the period.  Analysis indicated that of the 93 accidents –  29 (31%) were taken to hospital  46 (49%) received first aid treatment  18 (20%) needed no treatment  71% of accidents were either treated on site or required no treatment  29% required hospitalisation  Sport, particularly rugby, sustained more injuries but that was due to the increased number of fixtures compared to last year. There were no areas of significant concern.  The report included details of recent audits, training and drills. |   The report for this quarter also included details on contact and well-being initiatives for staff during lockdown.  There were 30 members of staff and 94 students testing positive for Covid during the period.  **Resolved:**  **That the report be received.** |
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| **88.21** | ***Finance and Resources Committee Terms of Reference*** |
| ***Decision*** | In line with the Code of Good Governance the Finance and Resources Committee reviewed its Terms of Reference and concluded that they remained fit for purpose.  **Resolved:**  **That the Finance and Resources Committee confirm that their Terms of Reference remain fit for purpose.** |
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