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| **MINUTES** | | | | | | |
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| *Finance and Resources Committee No 30* | | | | | | |
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| Date: |  | *10/03/2020 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Rural Business Centre* |  | Committee: |  | *Finance and Resources* |
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| Notes: |  | *Vouchers will be issued to enable refreshments to be obtained from the College Restaurant prior to the meeting. Tea and Coffee will be available in the meeting.* | | | | |
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| Present: |  | *Alison Robinson (Principal), David Hall, Ian Higginbotham (Chairman), John Morphet, Richard Furnival (Vice Chairman), Stuart Heys and Sue Collinge* | | | | |
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| Attending: |  | *Janet Whiteside (Deputy Principal), 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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| Apologies: |  | *Clare James* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **01.20** | ***Attendance of College Management Staff*** |
| ***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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| **02.20** | ***Apologies for Absence*** |
| ***Record*** | Apologies had been received from Clare James. |
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| **03.20** | ***Public Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 29 held on 3 December 2019 (published on the extranet) were agreed and signed as a true and correct representation of the meeting. |
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| **04.20** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **05.20** | ***Strategic Plan Progress Report*** |
| ***Decision*** | The Committee considered the Strategic Plan Progress Report for the Finance and Resources Committee.  Alongside the report they referred to the Financial Statements. The key performance indicators related to Recruitment, the Capital Plan, Human Resources Statistics and Financial Performance.  Recruitment for 16–18 year-olds was ahead of target by 68 students. Adult classroom-based income would be close to target by the end of the year but work was still needed to bring in the Liverpool AEB. Full time HE numbers were hoping to meet target although full time Year 1 numbers may fall just short.  Apprenticeship income remained challenging as did full cost course recovery.  Staff costs as a percentage of income was 56.1% against a phased target of 56.4%.  Income from Myerscough Ventures was £0.03m behind a profile target of £0.64m. In relation to the Capital Plan the profile for the next twelve months showed that the proposals were affordable and within the identified timescale.  The report also indicated that the capital plan projects were meeting targets.  **Resolved:**  **That the Strategic Plan Update be received.** |
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| **06.20** | ***Financial Position Statement for Period Ended 31 January 2020*** |
| ***Decision*** | The Committee received the above report on various aspects of the College finances for the period ended 31 January 2020.  The surplus as a percentage of income was £402k (pre FRS 102) against a phased budget surplus of £416k with a current ratio of 1:1.39 (1:1.31 January 2019) and cash days of 78.9 (71.7 January 2019). Turnover was slightly behind target at £15.21m but above last year of £14.82m (January 2019). Negotiations were continuing with Liverpool City Council regarding their contribution to High Needs Funding for 2018/2019 and 2019/2020.  Staff costs as a percentage of income was 56.1% against a phased target of 56.4%.  Income from Myerscough Ventures was £0.03m behind a profile target of £0.64m.  Overall income to date was lower than budget by £434k (2.8%) but above last year by £398k (2.7%). The key Income variances were:  • Education including sub-contract income was £142k (1.3%) less than budget  • Apprenticeship and Skills including sub-contract income was £230k (1.4%) less than budget and  • Other activities income was £48k (17.0%) above budget.  Direct pay costs were £227k (3.7%) less than budget and £171k lower than the same time last year.  The Farm income was being closely monitored and to date the gross margin was £51k adverse to budget and 23k less than last year. The report on the Farm also included a copy of the Farm Improvement Plan which was welcomed by Governors.  The Committee asked various questions on the reports and sought clarification in some areas. They also welcomed the changes to the finance report with the Key Areas of Focus section now included.  **Resolved:**  **That the report be received.** |
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| **07.20** | ***Capital Pan Expenditure Report as at 31 January 2020*** |
| ***Decision*** | Finance & Resources Committee considered the Capital Expenditure Report to 31 January 2020.  Total expenditure against the annual budget of £2,956k for 2019/2020 amounted to £487k at 31 January 2020.  The Committee noted the detail and progress made on the capital projects and that the report was in line with expectations and to agreed tolerances.  **Resolved:**  **That the report be received.** |
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| **08.20** | ***Statutory Risk Register*** |
| ***Decision*** | Members considered those elements of the Risk Register applicable to the Finance and Resources Committee.  They had been developed to provide a summary page which detailed updates and trends. A risk appetite statement was included as was the assessment framework that had been developed and was included to ensure consistency of scoring for inherent and residual risk.  **Resolved:**  **That the Statutory Risk Register for the Finance and Resources Committee be received.** |
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| **09.20** | ***Financial Regulations Annual Review*** |
| ***Decision*** | The Financial Regulations required review on an annual basis. The Director of Finance had therefore produced a report including a schedule of amendments, which had been broken down into two sections; substantive changes and minor changes.  The substantive changes fell into two broad areas:  Procurement Rules. The Brexit arrangements required the College to maintain EU Procurement Regulations until the end of the transitional arrangement period at 31 December 2020. The revised procurement thresholds were included in the revision.  Disposal of Assets. The procedure for the disposal of assets had been incorporated into the Financial Regulations under section 10.6.  The minor changes were mainly related procedural/nominated officer issues.  **Resolved:**  **That the Corporation be recommended to adopt the revised Financial Regulations with effect from 1 April 2020.** |
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| **10.20** | ***College Funding 2020/2021*** |
| ***Decision*** | The Committee received the report of the Director of Finance, detailing the notification from the ESFA, received on 28 February 2020, on the funding provision for 2020/21.  The report outlined the main points of the allocation as follows:  • The FE Funding Allocation for 2020/21, including high needs funding but excluding bursaries, was £13,256,131, this amount being £1,460,001 higher than in the current year.  • Within the total FE allocation was an High Needs ‘element 2’ Funding of £1,896,000 in respect of 316 learners, which represented an increase of £372,000 and 62 learners, in comparison to the current year.  • Excluding the positive effect of High Needs Funding the FE allocation is £10,618,701, which was £1,253,138 higher than in the current year.  The principal reasons for the increases were:  - £20.8k increase for new funding streams for High Value Courses;  - Increase to the base rate funding of £188 per FTE;  - Increase in student numbers due to lagged funding of 71;  - Level 3 programme Maths and English £97k.  Principalship was working on both short and medium-term measures to improve efficiency and attract additional students.  In considering the report the Committee expressed their dissatisfaction with the fact that a great deal of officer time had gone into preparing the ESFA Financial Model, which had been forwarded to their office on the 27 February only for the forecasting of finances to be impacted the day after by the increase in funding notification.  However, the Committee were pleased to note the increase in funding for the next academic year.  **Resolved:**  **That the report on College Funding for 2020/2021 be noted and forwarded to Corporation for information.** |
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| **11.20** | ***Student Bursary Fund Allocations 2020/2021*** |
| ***Decision*** | The Director of Finance presented a report on the provision of Bursary Funds for 2020/2021.  The ESFA had increased provision by £53,604 for the year making a total of £783,772. This sum covered: Discretionary 16–18 and Residential figures for Free School Meals but not for Advanced Learners at this stage.  The increase was partly due to increased student numbers and in part due to a change in methodology. Following discussions last year with the ESFA residential bursaries would not be available to students on non-specialist sports courses or public service courses (other than for vulnerable learners or special cases) as these were widely available in 6th form schools and colleges.  The Policy and Procedure covering the allocation of the funds for both FE and HE students was also presented for consideration. The latest guidance had not yet been received from the ESFA and this may affect the Policies for both HE and FE. However, it was necessary to agree the Policies so that they could be published as soon as possible. Any necessary amendments would be made at a later date via Chair’s Action. Both policies would be published on the College website but details of Bursary Fund Awards (also circulated with the papers) would be retained as an internal document.  **Resolved:**  **That the report be received and the Committee confirm that the Policy and Procedures regarding Bursary Funds remained fit for purpose.** |
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| **12.20** | ***Human Resources Report for the Period Ended 31 January 2020*** |
| ***Decision*** | The Committee considered the above report which contained analysis of staff turnover, breakdown analysis of leavers, staff stability index and staff sickness statistics.  The Committee noted that staff turnover was 16.8%, a slight reduction from the last period and below national average. Overall staff sickness was at 2.9% a slight increase from the last quarter although it remained below the north west average of 3.1%.  There were 8 employees currently on long term sickness absence, which was against a target of 6.  **Resolved:**  **That the report be received.** |
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| **13.20** | ***Safer Recruitment Policy*** |
| ***Decision*** | The Committee considered a report indicating that HR had reviewed all pre-employment background checks and vetting processes. This had been to provide clarity on the safer recruitment requirements for different categories of workers or engagements – such as third parties and contractors - which take place across the College.  This would provide clarity and consistency for managers and should help to enhance levels of understanding and compliance. HR had also introduced a safer recruitment audit checklist, which now had to be completed for every new starter and would provide clear and timely oversight of compliance with all safer recruitment responsibilities.  In addition, the recent introduction of DBS Online would provide a secure means of undertaking DBS checks going forward, whilst reducing waiting times for clearance.  **Resolved:**  **That the report be received.** |
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| **14.20** | ***Health and Safety Report for the Period Ended 31 January 2020*** |
| ***Decision*** | Members considered the Health and Safety Report for the period ended 31 January 2020, which included a summary of key strengths, areas for improvement, actions taken and further actions planned.  The number of accidents had reduced considerably compared to the same period last year.  Slips, trips and falls remained the main cause of accidents or incidents.  The number of near misses had increased but this was due, it was felt, to the improved reporting arrangements. There was nothing that pointed to a significant area of concern.  Only 4 RIDDOR reportable accidents occurred none of which required further investigation. Details of audits undertaken and planned were included in the report.  **Resolved:**  **That the report be received.** |
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| **15.20** | ***Janet Whiteside, Director of Finance*** |
| ***Decision*** | The Chair expressed his thanks to Janet Whiteside, Director of Finance, who had stepped into the role of Interim Deputy Principal, Finance and Corporate Services, during the recent vacancy.The rest of the Committee concurred with the comments.  Janet responded accordingly. |
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