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| **MINUTES** | | | | | | |
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| *Finance and Resources Committee No 32* | | | | | | |
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| Date: |  | *01/12/2020 (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 Teams. A link will be forwarded nearer to the meeting date.* | | | | |
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| Present: |  | *Alison Robinson (Principal), Clare James, David Hall and Sue Collinge (Chairman)* | | | | |
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| Attending: |  | *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 Rafik Adam* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **46.20** | ***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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| **47.20** | ***Apologies for Absence*** |
| ***Record*** | No apologies for absence had been received with all members present. |
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| **48.20** | ***Appointment of Vice Chair*** |
| ***Decision*** | Following due process it was:  **Resolved:**  **That Clare James be appointed Vice Chair of the Committee for the remainder of the academic year.** |
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| **49.20** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 31 held on 7 July 2020 (published on the extranet) were agreed and signed as a true and correct representation of the meeting. |
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| **50.20** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **51.20** | ***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 and retention were better than target but the Riddor accident rate was above target of less than 3% for this time of year but not a concern. The remaining targets under People related to student responses to ''feeling safe'' and these were slightly below target and related to Covid responses.  Sustainability indicated that Myerscough Ventures contribution was behind target due to the pandemic and lockdown.  The remaining financial indicators were on or above target apart from in the 14 to 16 age group and HE income both of which were behind target although not by a significant amount with two terms remaining.  Recruitment to FE was approximately a hundred above target whilst HE was down on part-time students.  The Capital Plan was anticipated to be delivered within target.  **Resolved:** |   **That the Strategic Plan Report be received** |
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| **52.20** | ***Financial Position Statement for Period Ended 31 October 2020*** |
| ***Decision*** | A revised format of the report was presented by the Deputy Principal, Finance and Corporate Services, which included a statement of comprehensive income together with a detailed analysis thereof. The statements showed the actual results in the period up to 31 October 2020 together with the outturn for 2019-20, the budget for 2020-21, which was approved by the Board in July 2020 and the Forecast for 2020-21. The Balance Sheet as at the period end was also included, together with details of Cash Flow for the year to 31 July 2021 and forecast Cash Flow to July 2022.  Overall College income was £7.257m against a budget of £7.733m and a forecast income of £7.783m.  Surplus of income of £573k was £39k behind budget. Given the current financial climate this was a promising start to the financial year. 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 percentage of 15.1% to a forecast of 14.7%, remained healthy.  The actual payroll to income ratio was 58.4% compared to a budgeted ratio of 56.8%.  Cash balances at the period-end were £11.450m compared to an expected £5.604m as forecast. Cash days stood at 147 days.  Although Ventures income was down on budget by £216k savings of £86k in pay and £164k in non-pay have off-set this reduction. Residencies had remained almost full. Residential and catering income remain a major risk to the College year end position was dependant on future lock-down requirements; a closure of the College for a period could see large refunds being paid out.  The report included the full details of capital expenditure. Expenditure was currently £907k against a revised budget of £2,209m. The main project in the last year was the refurbishment of Student Residencies, upgrading shared accommodation to single bedrooms with en-suite bathrooms, at an expected cost of £1.8m. The completion date of this project was delayed due to the Covid-19 pandemic and the College re-opened the updated buildings to students on 7 October 2020. An amount of £567k has been paid to date in this period with £147k still owing.  The report demonstrated that the College had still to spend £1.302m during the year on capital projects. £866k has been brought forward from last year owing to projects that were not completed in that period. Most delays were due to the Covid-19 pandemic and the College expected to spend this cash during the current financial year. This reduction in spend had contributed to the increase in the amount balance at the month end.  Governors welcomed the revised report. A question was raised as to whether the recent cyber-attack affected the safety of this data. The Deputy Principal confirmed that no drives had been created similar to those currently lost and that all data was now secure via Office 365.  The financial health Score for 2020 was likely to be 'outstanding' with the forecast for 2021 reverting to 'Good'.  **Resolved:**  **That the report be received.** |
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| **53.20** | ***ESFA November Financial Cashflow Return*** |
| ***Decision*** | The Committee considered the details of the ESFA November Financial Cashflow Return.  Given the ongoing uncertainties regarding the impact of Covid-19 on college finances, it was agreed after consultation that ESFA would request an updated cashflow forecast from all colleges in November 2020. The Corporation had signed the previous request in July 2020. The guidance from the ESFA set out the minimum essential information that should be contained in the supporting commentary to the cashflow forecast with expected areas to be covered. The relevant papers were attached to the report and based on the Management Accounts previously seen by Governors in October.  The submission did not require to be signed off by the Corporation on this occasion but by the Accounting Officer. This was to overcome difficulties with previously agreed meeting dates.  **Resolved:**  **That the report be noted.** |
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| **54.20** | ***Farm Reports*** |
| ***Decision*** | The Deputy Principal, Resources, presented a report on the farm up to 31 October 2020.  Income from sales was slightly below budget by £6,415. However, this was offset by pay and non-pay being less than budget by £19,509.  Governors sought clarification regarding some of the terms used in the report to which the Deputy Principal responded.  He also reported on current difficulties in recruiting staff and unplanned expenditure, such as £12,000 of repairs required to a tractor. #  The performance of the farm would continue to be closely monitored through the remainder of the year.  Also circulated with the report was the farm monitoring plan for 2020/2021.  **Resolved:**  **That the reports be received.** |
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| **55.20** | ***Myerscough Students Unions Accounts for the Year ended 31 July 2020*** |
| ***Decision*** | |  | | --- | | Consideration was given to the Student Union annual accounts for the year ended 31 July 2020. In 2019/2020 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 £6355.05 whilst the balance sheet remained at £15,756.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 2020 be agreed and referred to the Corporation for approval** | |
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| **56.20** | ***FE Tuition Fees 2021-2022*** |
| ***Decision*** | |  | | --- | | Members gave consideration to the proposed Further Education full and part time Tuition Fees for 2021/22 for Adult Learners, overseas students and students expected by the ESFA to co-fund their course fee.  The proposal was for increases to be in line with inflation where appropriate, with fees not exceeding the Advanced Learner Loan (ALL) maximum published by the ESFA.  **Overseas Students** proposed increase 1.3% to £6,671.  **Co-Funded Learners**  For any adult on a full time FE course that is subject to co-funding the learner was currently required to pay £1,399 with a proposed increase to £1,417 again up by 1.3%.  Students eligible to apply for an Advanced Learner Loan (ALL) were subject to a maximum amount set by the ESFA. The ESFA did not increase the maximum amounts in 2019/20 and 2020/2021 and had not published notification of any increases for 2021/2022. In the event that ALL maximum amounts are increased the College will seek to increase fees, subject to price sensitivity.  Myerscough currently charges between £2,573 - £11,356 for the courses, dependent upon the number of modules and subjects. In 2019/20 Myerscough charged fees at the maximum for all but Veterinary Nursing due to price sensitivity. An increase of 2.9% was recommended for the Diploma in Vet Nursing, increasing the fee from £10,205 to £10,500, maintaining the reduction from the ALL maximum. BTEC – Sub-Dip Sport and BTEC Sport had demonstrated a reduction in fees due to the change in qualification during 19/20.  A Governor asked if the College was likely to increase fees if the Adult Learner Loan maximum was to be increased later in the year. The Deputy Principal reported that it was unlikely as once the figures for next year were published on the website it would not be good practice to then increase them.  A full schedule of fees was included in the report.  **Resolved:** |   **That the FE Tuition Fees be commended to Corporation for approval.** |
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| **57.20** | ***Overseas Visits Policy - Review*** |
| ***Decision*** | |  | | --- | | The Committee considered the review of the Overseas Visits Policy. Amendments to elements of the policy and procedure were proposed by the Deputy Principal, Finance and Corporate Services, in areas relating to health and safety, staff and student welfare, security arrangements, travel arrangements and Foreign Office advice.  It was therefore necessary, following such changes, to seek the approval of Corporation for the revised policy.  Members noted the Board's responsibility for approval in advance of overseas travel being booked and paid for and expressed satisfaction with the revised policy and procedures.  **Resolved:** |   **That the revision to the Overseas Visits Policy be recommended to Corporation for approval**. |
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| **58.20** | ***Statutory Risk Register*** |
| ***Decision*** | |  | | --- | | Members considered those elements of the Risk Register applicable to Finance & 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.  The register included risks relating to the Covid pandemic and lockdowns and also the August Cyber-attack.  **Resolved:** |   **That the Statutory Risk Register for Finance & Resources Committee be received.** |
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| **59.20** | ***Human Resources Report for the Period Ended 31 October 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 for the year up to 31 October 2020.  The Committee noted that staff turnover was currently much better than target at 7.88% and also better than the AoC benchmark. This was due in the main to the Covid pandemic and the resulting economic uncertainty. In the twelve months to 31 October 2019 there were 105 staff leaving and in the same period to 31 October 2020 just 49 staff left. Overall staff sickness was being closely monitored and was better than the target of less than 3%. The AoC benchmark was also 3%. Long term sickness of 6 employees was at target. |   **Resolved:**  **That the report be received.** |
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| **60.20** | ***Health and Safety Report for the Period Ended 31 October 2020*** |
| ***Decision*** | |  | | --- | | Members gave consideration to the Health and Safety Report for the period ended 31 October 2020, 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 decreased by 56 compared to the same period last year mainly due to the Covid pandemic and there being a reduced number of staff and students on campus. There were four RIDDOR reportable accidents during this period which amounted to 7% against a target of 3%.  Analysis indicated that of the 56 accidents –  13 (23%) were taken to hospital  34 (61%) received first aid treatment  9 (16%) needed no treatment  77% of accidents were either treated on site or required no treatment.  The report included details of recent audits, training and drills.  At the request of Governors the report now included details of Insurance Claims, the majority of which related to vehicle accidents.  The report for this quarter also included details on contact and well-being initiatives for staff during lockdown. |   During this period staff delivered COVID Stay Alert to Stay Safe Training to 564 staff over 11 sessions, collated and checked 524 staff health questionnaires, collated and checked and commented on 140 Individual COVID Risk Assessments. To date 733 staff have completed COVID 19 online training.  There has been 13 members of staff who tested positive for COVID 19, including 4 in basketball, where links between them were established.  Overall figures showed that during this period 48 staff across all campus’ had to isolate at some point, either because they had symptoms and suspected they had COVID or because they came into contact with someone who had.  During the same period 31 students tested positive in Preston, 7 in basketball (all linked with staff), 2 at Croxteth, and 2 at Witton.  Following questions from Governors, the Deputy Principal confirmed that there were no identifiable trends relating to the injuries or accidents.  **Resolved:**  **That the report be received.** |
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| **61.20** | ***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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| **62.20** | ***Annual Cycle of Business for 2020/2021*** |
| ***Decision*** | Finance & Resources Committee considered its Annual Cycle of Business for 2020/2021.  It was reported that the ESFA had extended the deadline for submission of the Annual Accounts to 31 January 2021 and therefore provision had been made for an additional meeting of the Committee to be held on 19 January 2021.  **Resolved:**  **That the Annual Cycle of Business for 2020/2021 be agreed and that the requirement for an additional meeting to be held on 19 January 2021 be noted.** |
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