

## MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING HELD ON 20<sup>th</sup> NOVEMBER 2024 AT 4.30PM AT THE KINGSWAY CAMPUS

<b>Present:</b>	Neil McGrath	External Governor
	Mary Murphy	Principal
	Chris Sikorski	Staff Governor
	Susan Smith	External Governor
	Stephen Young	External Governor
<b>In Attendance:</b>	Dan Adams	Assistant Principal, Curriculum (Cronton)
	Julie Holland	Deputy Principal (Finance & Resources)
	Julia Withersby	Assistant Principal, (HR & Central Services)
	Catherine Shaw	Clerk to Governors

The Clerk opened the meeting and extended a warm welcome to the wider Senior Management Team (SMT) colleagues in attendance.

### 1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received and accepted for Gordon Holmes, Assistant Principal (Finance & Estates).

### 2. **DECLARATION OF INTERESTS**

All staff members present declared an interest in agenda items 7.5 to 7.7 (inc)

### 3. **APPOINTMENT OF CHAIR 2024/2025**

Susan Smith was appointed as Committee Chair in accordance with procedure.

*Susan Smith took the Chair.*

### 4. **MINUTES**

#### 4.1 **To approve the minutes of the previous meeting held on 19<sup>th</sup> June 2024 (previously circulated)**

The Committee reviewed the minutes from the previous meeting.

**Resolved** - That the minutes of the meeting held on 19<sup>th</sup> June 2024 be **approved** as a correct record.

#### 4.2 **To review the action log and to consider any matters arising from the minutes (previously circulated)**

The report was reviewed.

**Resolved** - The Committee **noted** that action points were either completed or in progress for completion.

## 5. FINANCE AND RESOURCES UPDATE

### 5.1 Human Resources Annual Report 2023/2024 (*previously circulated*)

The Assistant Principal (HR & Central Services) presented this report and highlighted the following aspects:

- Staff Absence – this stood at 3.28% at the end of 2023/2024, compared to 3.95% in the previous year
- Staff Turnover – remained low at 12.1% which was significantly below national benchmarks. Feedback from exit interviews remained positive with 100% of former staff reporting that they would recommend the College to others
- Staff Utilisation – remained high at 98% at the close of 2023/2024 with most of the required cover sourced from within existing teams
- Staff Wellbeing – the annual wellbeing event took place on 19<sup>th</sup> November 2024. Two guest speakers delivered very informative presentations in the morning and a wide variety of wellbeing activities were on offer throughout the afternoon session for staff to choose from. The subsequent staff evaluation process was underway
- Equality and Diversity – the staff profile was reported. The College had launched an Employee Assistance Programme and a “You, Me & Neurodiversity” group to provide additional support to staff, where required
- The College had been accredited under the Liverpool City Region’s Fair Employment Charter which aimed to celebrate good employers and promoted high standards for fairer employment practices
- Internal Audit Report on HR Performance Management September 2024 – substantial assurance was provided to the College that the areas of the control environment tested during the audit were designed and operated effectively with no significant weaknesses. Three recommendations had been made; one being of a medium level nature, the second low and the third was advisory.

In response to a question raised during discussions, the Assistant Principal (HR) advised that the main reasons for staff resignations were due to either relocation or promotion elsewhere.

An in-depth discussion took place relating to the internal audit report with the Committee acknowledging the pleasing outcome that substantial assurance had been provided in this area. In response to a question raised regarding the recommendations contained within the report, College Management advised that the introduction of a Performance Development Review (PDR) Policy/Statement was currently under discussion with the wider Senior Management Team (SMT).

**Resolved:** The Committee **noted** the contents of the report.

### 5.2 Health and Safety Annual Report 2023/2024 (*previously circulated*)

The Deputy Principal (F&R) presented this report and highlighted the following aspects:

- Accidents, Incidents and Near Miss Statistics – the number of minor accidents had slightly increased in comparison to the previous year. There had been no RIDDOR reportable incidents. No patterns or trends had been identified relating to recorded ‘near misses.’

- Health and Safety (H&S) Activities – H&S committee meetings had become embedded at the College with key outcomes reported to the Risk Management Group. The various training activities that had taken place were outlined, together with those scheduled to take place imminently.

During the discussion that followed the Committee was advised that electronic systems were being updated which would further enhance the reporting of ‘near-misses.’

**Resolved:** The Committee **noted** the contents of the report.

### 5.3 **Environmental Sustainability Annual Report 2023/2024** *(previously circulated)*

The Deputy Principal (F&R) highlighted the following:

- AoC Climate Action Roadmap – the Board had adopted this as the basis of its environmental strategy and was on track to achieve ‘leading’ college status by December 2025
- Student Transport Contracts – it was imminent that the Warrington bus operators would be providing a fully electric service. The College was developing a travel policy to ensure both staff and students journeys to and from College were as sustainable as possible
- Net Zero Programme – significant progress had been made, with the majority of the established targets having been met
- College Estate Refurbishment – new air sourced heat pumps had been installed on the roof of the Kingsway campus, supplying hot water to the entire building. Electric vehicle (EV) chargers had been installed at the Cronton campus with future plans for installation at Kingsway. A full property strategy had been procured which included plans to ensure future capital investment was focussed on sustainability. The Hydrogen Centre that was partly funded by the Local Skills Improvement Fund (LSIF) was opened in March 2024. The College was planning a green energy building at Kingsway which would have a small wind turbine on its roof and solar panels. The latter had already been installed on the roof at the IDEA Centre at the Cronton campus.
- Streamlined Energy and Carbon Annual Report (SECR 2023/2024) – this confirmed the various energy efficiency measures which had been adopted since the last report. It was noted there had been a reduction in energy consumption, though the emissions profile had increased in 2023/2024 and reasons for this were provided which included (i) the increased number of students and (ii) the on-going sub-station works at the Cronton campus.

**Resolved:** The Committee **noted** the contents of the report.

### 5.4 **Management Accounts to 30<sup>th</sup> September 2024** *(previously circulated)*

The Deputy Principal (F&R) drew the Committee’s attention to the key headline data relating to the Management accounts at 30<sup>th</sup> September 2024 which were measured against the budget and the three-year forecast submitted to the Board at its meeting in July 2024. Salient points within the accounts included:

- Operating surplus – this was higher than planned by £117k, due mainly to favourable variances in Pay and Non-Pay. The Board was referred to Appendix 1 for the full Income and Expenditure Statement
- Cash balances remained positive with the actual position being slightly higher than forecast. This variance was predominantly due to the lower-than-expected

capital expenditure in respect of the Further Education Capital Transformation Fund (FECTF) grant

- Cashflow – the Board was directed to the reconciliation within Appendix 2
- Annual capital expenditure to date was £1,347k which remained within the total amount previously approved of £15,219k. Reference was made to Appendix 3 for a full analysis of fixed assets.

The Committee considered the Management Accounts and accompanying appendices. Governors were pleased to note the in-year growth relating to 16-18 recruitment. The Principal drew Governors' attention to the Adult Skills Fund and a potential clawback as the adult enrolment target had not been met. The Committee was informed of mitigation in place and the action being taken by Senior Management to address the shortfall. Governors received assurance that there was a laser focus on future recruitment campaigns and agreed to closely monitor moving forward.

**Resolved:** The Committee **noted** the contents of the reports.

#### 5.5 **Property Strategy Update** *(previously circulated)*

The Deputy Principal (F&R) presented this update and highlighted the following key aspects from the report:

- New Builds – (i) Cronton Music Hub and Teaching Block and (ii) Green Technology Build at Kingsway had both been delayed due to changes in the design team. This had resulted in £653k delayed expenditure in connection with the 2024 Summer Works Programme. Completion was anticipated in the current academic year whilst ensuring that spend remained affordable
- Funding – (i) FE Grant funding received in year, (ii) Energy Efficiency funding and (iii) Reclassification funding had been spent in-year. This had resulted in less of the contingency being required for estates capital investment and summer works
- Chair's Action – this had been invoked in respect of two matters since the last Committee meeting, namely (i) contract to build a Construction Skills temporary workshop, required to meet student demand at the Kingsway campus, and (ii) approval of an additional amount of £97k ascertained post-negotiation in respect of the Brasserie covered terrace extension at the Cronton campus, required in response to a high level of student recruitment and need to increase the quality of covered space for students

During the discussion which ensued College Managers expressed their disappointment with the unavoidable delays connected with the new builds, as detailed in the report. In response to a question raised, it was confirmed that the building delays had not adversely impacted on the students.

**Resolved:** The Committee **noted** the report.

#### 5.6 **Partnership Performance 2023/2023 and Plan 2024/2025** *(previously circulated)*

The Deputy Principal (F&R) presented this report on behalf of Jayne Smith, Head of Skills and Enterprise. The following aspects were highlighted in relation to the College's sub-contractors, namely (i) Power in Partnership (PiP) and (ii) Crosby Training:

- The performance summary of partners for 2023/2024 – included detail relating to learner recruitment, achievement rates, destination data and funding in 2023/2024
- Funding Update and Provisional Contracts for 2024/2025 – PiP had recruited to profile in respect of its 16-18 provision. Seven additional students had met the criteria to progress to a further qualification-based programme (Stage Two) whereby additional funding would be required. For this purpose, the Committee was requested to approve in principle a further increase of £14,480 to PiP. Crosby Training had been awarded preferred training supplier status by Warrington and Cheshire DWP due to the high quality and outcomes of their pre-employment programmes for Teaching Assistants and Civil Servants. To enable delivery of these programmes additional funding had been requested to meet the increased demand in supporting these sectors. For this purpose, the Committee was requested to approve in principle a further increase of £30,000 to Crosby Training.
- Quality Assurance – the Committee received assurance that close monitoring continued to take place by College Management

The Committee considered its responsibilities relating to sub-contracting and its duty to ensure high-quality delivery was taking place. Factors taken into account throughout the discussion included:

- Power in Partnership – excellent feedback from the College’s Ofsted inspection in April 2024 and substantial improvement in their overall achievement rates with above national and college benchmarks. This was considered in the context of their students being the most disadvantaged with additional support needs.
- Crosby Training – Ofsted completed a monitoring visit in July 2024 and established that reasonable progress was being made since the full inspection in June 2023. The College’s quality assurance process had confirmed improvements had taken place in quality and curriculum planning. Achievement rates had increased by 4% and were above national and college benchmarks. This was considered against the context of the niche provision being delivered for those not in education, employment or training (NEETs).

**Resolved:** The Committee

- (i) **noted** the contents of the report and performance of partners in 2023/2024
- (ii) **recommended approval** to the Board that a contract increase of £14,480 be made to Power in Partnership, as detailed in the business case.
- (iii) **recommended approval** to the Board that a contract increase of £30,000 be made to Crosby Training, as detailed in the business case.

#### 5.7 **College Financial Health & Governors Financial Dashboard – Education and Skills Funding Agency (ESFA) (previously circulated)**

The Committee considered the correspondence received from the ESFA dated 4<sup>th</sup> November 2024 which confirmed its annual assessment had taken place. Its findings had concluded that the financial health of the College was (i) outstanding for 2023/2024, which related to the latest outturn forecast year, and (ii) outstanding for 2024/2025, the current budget year.

Financial dashboard information accompanied the letter from the ESFA. The Committee considered the various key performance indicators contained within the dashboard and the measures against both target and sector benchmarks. These included:

- Forecasting and Financial Health
- Reliance on Income Streams
- Solvency
- Profitability
- Borrowing

Governors were satisfied that this clearly demonstrated strong financial sustainability and solvency. College Management and the Finance Team were commended for their continued prudent management of College finances which had resulted in a ninth consecutive year of being in outstanding financial health.

**Resolved:** The Committee **noted** the report.

## 6. **FINANCIAL STATEMENTS 2023/2024** *(previously circulated)*

The Deputy Principal (F&R) referred to the Financial Statements and provided the following summary:

- The underlying operating surplus of £4,338k was in line with the forecast (£4,338k as per the July 2024 management accounts), compared to the surplus of £3,958k in 2022/2023
- During 2023/2024 the College received £7m in grant income and spend of £3.7m on fixed assets. It increased turnover by £723k and expenditure by £306k (from the original budget). This was predominantly as a result of interest earned, revenue grant income and spend, and a cost pressure payment made to staff
- Unqualified opinions on the Regularity Audit and the Financial Statements Audit regularity were the anticipated audit outcomes, given that the audit had been substantially completed
- The College repaid the outstanding loan of £200k in-year and was currently debt free
- Cash balances remained high at £26,208k, with a further £4,000k invested
- The College's financial health, as rated by the ESFA was outstanding
- There was a requirement for the Financial Statements to be submitted to the ESFA, along with the College Financial Forecasting Return (CFFR) by the 31<sup>st</sup> December 2024

A discussion took place. It was confirmed that the External Auditor had presented the draft Audit Management Letter to the Audit Committee at its meeting on 18<sup>th</sup> November 2024, at which time the Financial Statements had also been considered by the Committee. The Deputy Principal (F&R) provided details of elements of the audit which were still under review which included some presentational changes and would not affect the financial data.

**Resolved:** The Committee **noted**

- the Financial Statements for year ended 31<sup>st</sup> July 2024 and their reconciliation with Management Accounts presented to the Committee.
- following Board approval the Financial Statements together with the Finance Record were to be submitted to the ESFA by the 31<sup>st</sup> December 2024.

## 7. **POLICIES**

### 7.1 **Health and Safety** *(previously circulated)*

### 7.2 **Trips and Visits** *(previously circulated)*

The Committee was advised that the Senior Management Team (SMT) had undertaken their annual review of these policies. Other than amendments having been made to some job titles, no fundamental changes were proposed.

**Resolved:** The Committee **recommended approval** of the following policies to the Board:

- Health and Safety Policy, together with the Statement of Intent 2024/2025
- Trips and Visits Policy

**7.3 Reserves** (*previously circulated*)

The Deputy Principal (F&R) advised that this policy was being introduced in compliance with the College Financial Handbook which had been published by the ESFA in August 2024.

**Resolved:** The Committee **recommended approval** of the Reserves Policy to the Board.

**7.4 Data Protection** (*previously circulated*)

The Committee was advised that other than amendments having been made to some job titles throughout the policy, no fundamental changes were proposed.

**Resolved:** The Committee **recommended approval** of the Data Protection Policy to the Board.

**7.5 Staff Capability** (*previously circulated*)

**7.6 Staff Disciplinary** (*previously circulated*)

**7.7 Staff Grievance** (*previously circulated*)

The Committee was advised that the recommended amendments highlighted within each policy were being made upon advice sought and received from the College's legal advisors.

**Resolved:** The Committee **recommended approval** of the following policies to the Board:

- Staff Capability Policy
- Staff Disciplinary Policy
- Staff Grievance Policy

**8. FE SECTOR UPDATES**

**8.1 Sub-Contracting Rules 2024/2025** (*previously circulated*)

The Clerk advised the Committee of the updated government publication relating to Subcontracting Funding Rules for Post-16 Education and Training 2023/2024 (excluding apprenticeships). She drew Governors' attention to paragraph 2.6.2 relating to those charged with governance and the duty to determine subcontractors were of high quality and of low risk to public funds. This was considered in conjunction with agenda item 5.6 Partnership Performance 2023/2024 and Plan 2024/2025. It was noted that statutory assurance reviews were undertaken every 3 years. Beaver & Struthers (External Auditors) undertook this audit in June 2023, resulting in the College meeting the required 'standard.'

**Resolved:** The Committee **noted** the report.

8.2 **Procurement Act 2023** (*previously circulated*)

The Committee was informed of the key changes and potential implications for the College with the introduction of this legislation. Governors noted that the College's Financial Regulations and Procurement Policy had been updated and approved by the Board to ensure compliance.

**Resolved:** The Committee **noted** the report.

9. **COMMITTEE SELF-EVALUATION 2023/2024** (*previously circulated*)

The Clerk referred to the draft Committee self-evaluation of performance which provided a narrative on the following aspects of its performance:

- Attendance levels were reported at 93%, against a target of 80%
- Membership details
- Terms of Reference
- Summary of Committee activities during 2022/2023
- Areas for Development

The Committee reflected on its performance throughout the 2023/2024 academic year. Governors were satisfied that it had fully complied with its statutory obligations and terms of reference. The Committee noted that whilst the overall attendance rate was lower than the previous year, pleasingly the target of 80% had been met. Further consideration was given to the content and length of reports; a discussion took place which included the potential benefits of using artificial intelligence (AI) for cover sheets, in line with the evolving AI College strategy.

**Resolved:** The Committee

- **approved** the self-evaluation of the Finance and Resources Committee's Performance in 2023/2024
- **agreed** to keep under review the length of Committee reports

10. **ANY OTHER BUSINESS**

There were no additional matters of urgent business to be addressed.

11. **ITEMS TO BE REPORTED TO THE BOARD**

A discussion took place.

**Resolved** – the following items were to be presented to the Board at its next meeting on 9<sup>th</sup> December 2024:

- Management Accounts as at 30<sup>th</sup> September 2024
- Health and Safety Statement of Intent 2023/2024
- All policies – agenda items 7.1 to 7.7 (inc)
- All annual reports - agenda items 5.1 to 5.3 (inc)
- Partnership Update and Contracts for 2024/2025

12. **MEETING REVIEW**

In accordance with the approved action plan resulting from the external board review in 2023/2024 Committee Members were asked to review the effectiveness of the meeting with any comments to be forwarded directly to the Clerk.



**Resolved:** The Committee **noted** the request.

**13. DATES OF FUTURE COMMITTEE MEETINGS**

**Resolved** - The Committee **noted** the following meeting dates:

- Board – 9<sup>th</sup> December 2024 at 4:00pm
- Finance & Resources Committee – 12<sup>th</sup> March 2024 at 4:30pm

The Chair thanked all attendees for their attendance and contribution at the meeting.

**Signed:**           ...Office copy signed by Susan Smith.....

**Chair of Finance and Resources Committee**

**Date:**           .....12<sup>th</sup> March 2025.....