

MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING HELD ON 30TH NOVEMBER 2022 AT 5PM AT THE KINGSWAY CAMPUS

Present:	Karen Banks	External Governor
	Neil McGrath	External Governor
	Mary Murphy	Principal – Ex Officio
	Wesley Rourke	External Governor
	Chris Sikorski	Staff Governor
	Susan Smith	External Governor
In Attendance:	Ben Barton	Assistant Principal
	Gordon Holmes	Head of Finance and Estates
	Julia Withersby	HR Manager
	Catherine Shaw	Clerk to Governors

The Clerk welcomed all attendees to the first committee meeting of the 2022/2023 academic year.

1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received and accepted from Julie Holland, Deputy Principal of Finance and Resources. The meeting was quorate.

2. **DECLARATION OF INTERESTS**

Wesley Rourke and Neil McGrath declared interests in agenda item 6.3 relating to the 'Climate Alliance Halton' collaboration.

3. **APPOINTMENT OF CHAIR**

In accordance with procedure, Susan Smith was appointed as Committee Chair for the 2022/2023 academic year.

4. **MINUTES** *(previously circulated)*

To approve the minutes of the previous meeting held on 29th June 2022

The Committee reviewed the minutes from the previous meeting.

Resolved - That the minutes of the meeting held on 29th June 2022 be **approved** as a correct record and signed by the Chair.

5. **MATTERS ARISING**

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

Resolved - The Committee **noted** the progress made on all matters contained within the action log.

6. FINANCE AND RESOURCES UPDATE

6.1 Annual report on performance against key HR indicators for 2021/2022 (previously circulated)

The HR Manager presented this report and highlighted the following aspects:

- Staff absence rate – recorded at 4.94% which was a significant increase from the previous year. A major factor in this increase was Covid-related sickness, with 270 confirmed positive cases in 2021/2022, compared to 82 in the previous year.
- Staff Turnover – this returned to a pre-Covid level of 14.1%, as the labour market began its recovery. The number of staff retirements had increased, though succession planning had been effective in managing the impact.
- Utilisation – this remained high at 97.8%. Agency usage had increased slightly, though the majority of cover was provided from within existing teaching teams. No agency staff had been required to cover areas of business support.
- Staff Profile – data was presented which included demographics relating to protected characteristics.
- Staff Wellbeing Policy – this had been implemented and a wide range of activities and support had been provided; examples included Wellbeing Week, Countdown to Christmas, Race for Life, Walk and Talk and the formation of a Menopause Support Group.
- Capability procedures, disciplinary and extensions to probationary periods of employment – data was presented which was low in number across each category.
- Pay Award 2022/2023 – pay negotiations continued with the National Education Union (NEU) and an overview of the current position was provided.

A discussion took place with several questions being raised by Governors and responded to. In response to a question asked regarding the profiling of retirements, the HR Manager confirmed that conversations did take place with colleagues in a sensitive manner which helped with succession planning. It was acknowledged that the age demographic of the workforce was no longer the strongest indicator of impending retirement plans, though the number of early retirements had reduced.

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

The HR Manager was thanked for her report and she left the meeting.

6.2 Annual Health & Safety Report 2021/2022 (previously circulated)

The Head of Finance and Estates presented this report and highlighted the following aspects:

- Accidents, Incidents and Near Miss Statistics – 164 minor accidents had been reported (compared to 74 in 2020/2021). There had been zero RIDDOR reportable accidents. The total number of near misses recorded was 38 and no trends had been identified in relation to these.
- Compliance Tracker – this was working well and was used to monitor the College's servicing and maintenance schedules.
- Health and Safety (H&S) Activities – First Aid courses for staff had been completed and the rota worked well. There were 55 trained staff across Kingsway, Cronton and CRMZ campuses. H & S support and guidance were available if required from the Association of Colleges (AoC), H & S Northwest

College meetings and the JISC H&S online network. Mandatory H & S training had been undertaken by all staff via Educare online resources. The College had completed a total of 115 trips and visits which had supported learners. An electronic system was being developed to provide a more efficient means of administering trips and visits.

A discussion ensued with several questions being raised and responded to. During the discussion it was confirmed that approximately 20 members of staff had received training in mental health first aid. In response to a question raised, the Principal advised that flu vaccinations were offered to staff.

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

6.3 **Annual Report on Environmental Sustainability 2021/2022** *(previously circulated)*

The Head of Finance and Estates presented this report on behalf of the Deputy Principal (Finance & Resources) and highlighted the following:

- AoC Climate Action Roadmap – the Board had adopted this as the basis of its environmental strategy and good progress had been made by the College in reaching the ‘Emerging College’ target by the December 2022 deadline. Targets had been set to enable future progression in becoming a ‘Leading College’ by December 2025.
- Net Zero Programme – the College had contracted in sustainability consultants (Hillside Environmental) to guide and support the College through this programme.
- Climate Alliance Halton – this collaborative meeting had taken place between Riverside College, Halton Housing and Halton Borough Council. The focus was on four key outcomes (i) raising awareness, (ii) purchase power), (iii) sustainability project – Biodiversity Plan and (iv) mapping of existing sustainability plans across the borough.
- Action Plan – progress reports were presented which detailed goals relating to leadership and governance, data collection, teaching and learning, estates and operations, partnership and engagement.

Potential projects borough-wide were discussed with good partnership work being reported to date. The Principal highlighted the importance of continued student engagement and raising awareness across all curriculum areas.

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

6.4 **Management Accounts to 30th September 2022** *(previously circulated)*

The Committee was informed of the up-to-date financial position for the College, measured against the budget and the five-year forecast submitted to the Board at its meeting on 4th July 2022. The following salient points were presented:

- The actual underlying operating surplus was £2,697k, which was £(4k) lower than that planned (£2,701k). There was a favourable variance on non-pay £49k, though this was offset with an adverse variance on income (£53k).
- Cash balances had remained positive and the position at the end of September stood at £19,004k, compared to £19,140k forecast.
- Cash-flow reconciliation was presented and illustrated that projected cash flows remained well within the banks covenant limits.

- Annual capital expenditure to date of (£690k) and additional commitments of (£809k), a total of (£1,539k) remained within the total amount approved (£10,248k).
- The post-July accounts evidenced a reduction in operating surplus of £36k for 2021/2022, which was as a result of an increase of non-pay expenditure of £57k relating to the purchase of materials for 19+ Bursary students. This was offset with an accrual of £21k for interest earned to 31st July 2022.
- Income relating to 16-18 year old student numbers and lagged funding – the College was forecasting a shortfall of 120 students against a target of 3,688.
- Other income – all other income streams had broadly recruited to target. Further updates were to follow in the October Management accounts.
- Staffing Budget Expenditure – overall, pay expenditure was in line with the agreed budget. Staff utilisation currently stood at 98%, with robust review processes being undertaken by the Senior Management Team (SMT) twice termly.
- Non-pay curriculum/functional areas expenditure – an overall favourable variance of £49k was reported.
- Cash and insolvency – cash balances remained positive and the position at the end of June stood at £19,004k compared to £16,924k at the start of the year. The year-end current ratio was 2.91 and cash days in hand were 172. Cash was invested in line with the College's Treasury Management Policy, with an amount held as working capital.

The Committee considered the Management Accounts and accompanying appendices which included the Income and Expenditure Statement, cashflow reconciliation statement, fixed assets analysis, data relating to debtors and creditors and capital expenditure 2022/2023.

A discussion took place and the Principal welcomed the questions raised regarding student recruitment. She informed the Committee that the shortfall in 16-18 recruitment was significantly less than initially anticipated at the start of the academic year. HE had over recruited students against the target. A growth bid of £100k had been submitted to Liverpool City Region Combined Authority (LCRCA), as the College had fully utilised its adult education budget.

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

6.5 **Property Strategy Update** *(previously circulated)*

The Head of Finance and Estates presented this update and highlighted the following key aspects from the report:

- Cronton Playhouse – an update was provided regarding the ongoing water ingress in the theatre. Monitoring was to continue over the winter months.
- Liverpool City Region (LCR) Strategic Investment Fund (SIF) and ESFA Further Education Capital Fund (FEC) – the College submitted bids to the LCR SIF and the FEC under five separate strands and was successful in each bid. All works had been completed with the exception of the Strand 1 bid which related to the Health and Well-being Centre at the Cronton campus. Delays had occurred and additional cost increases incurred as a result of supplier lead times and spiralling costs caused by the current global economic climate. A progress report was

provided by the Principal in relation to this and the anticipated opening of Blocks A and B in 2023.

- ESFA Further Education Capital Transformation Fund (FECTF) – the stage 2 application was submitted as two separate bids. It was noted that the bids were not successful, though a further FECTF application process was due later in the year. The first bid was in connection with a new teaching block project to facilitate green technology and to accommodate growth in engineering and construction at the Kingsway campus. A bid for this had subsequently been submitted via Wave 4 of the ESFA T level Capital Funding. The second bid was in respect of a project to overclad the main block at Kingsway and contingency plans had been put in place. Both projects had received planning approval which remained valid for up to 3 years.
- ESFA T Level Capital Funding (TLCF) Wave 4 – the College had submitted two bids which had been successful (i) Delivery of Engineering and Construction T Level routes at the Kingsway campus, and (ii) replacement of temporary classrooms and Music block at the Cronton campus, for delivery of Animal Management, Health & Science and Creative & Design routes.
- Capital Investment and Summer Works 2022 – the College continued with its IT rolling replacement policy and general refurbishments on each site. Total forecast capital spends in each year up to 2024 were considered by the Committee, together with the Summer Works programme for 2021/2022.
- Capital Projects Finance and Risk – the Committee was assured that a full risk analysis had been undertaken which modelled several financial scenarios, including further loan draw down, if required. With no further draw down of the loan, the College would remain in ‘outstanding’ financial health to 2027.

A discussion took place. The Principal provided an overview of the plans to publicise the opening of the ‘new build projects’ at the Cronton campus in the early part of 2023 and invitations would be issued in due course for the launch. Given the College’s significant investment in the borough, the Committee agreed to discussions taking place between the Principal and Halton Borough Council with a view to an article being published in the ‘This is Halton’ brochure; the aim being to further strengthen community engagement with local stakeholders by ensuring residents were aware of the outstanding campus facilities available to them.

Resolved: The Committee **noted** the contents of the report and recommended that the Board approved the capital investment and summer works programme for 2021/2022.

6.6 **Partnership Performance 2021/2022 and Review 2022/2023** *(previously circulated)*

The Head of Finance and Estates presented this report on behalf of Jayne Smith, Head of Skills and Enterprise. The following aspects were highlighted:

- Partner provision continued to be impacted by the pandemic in 2021/2022. Overall the 16-18 provision remained buoyant with favourable recruitment. The adult provision proved more challenging and had been difficult in terms of recruitment when training was still virtual due to the pandemic.
- With the exception of one partnership, all partner provision exceeded both national benchmarks and College performance. The percentages of positive destinations for two of the partnerships were disappointing, though reflected the niche provision to those not in employment, education or training (NEETs)

- New ESFA funding rules required providers to have a plan to reduce the overall volume of subcontracting and proposals had been approved by the Board in July 2022 to consolidate provision to Crosby training and Power in Partnership in reducing the overall volume of subcontracting in 2022/2023.
- Provisional contracts 2022/2023 – as recruitment had been strong for Power in Partnership, a request was made to approve in principle a further increase of £30,000, if required in 2023.
- Each partner had met the College’s quality and due diligence requirements.
- The College planned to undertake scheduled Quality Monitoring Visits (QMV) and where necessary, unannounced visits were to be made to providers to monitor the quality of the provision delivered.
- The Partnership Quality Group met twice per term to risk assess each partner’s performance. Power in Partnership was currently RAG-rated amber and Crosby Training was rated green.
- External audit of subcontracting provision was undertaken by Beever and Struthers in June 2022 which provided assurance to the Audit Committee that subcontracting complied with funding rules. There were three ‘good practice’ recommendations made which had been implemented in 2022/2023.
- The College continued to provide continued professional development (CPD) support to partners.

A discussion took place.

Resolved: The Committee **noted** the contents of the report and recommended that the Board approved in principle a further increase of £30k if required, in respect of the Power in Partnership’s 16-18 contract.

6.7 **HE Fees 2022/2023** *(previously circulated)*

In compliance with the HE Fees Policy, the Committee considered the proposed HE fees for 2022/2023.

Resolved: The Committee **recommended approval** to the Board to increase HND Engineering (Full-Time) course fees in 2022/2023 to £4,995.

7. **FINANCIAL STATEMENTS 2021/2022**

To receive the Financial Statements for 2021/2022

- The underlying operating surplus of £3,407k was in line with the forecast (£3,443k per July management accounts), prior to the inclusion of pension costs (£1,562k). After accounting for these adjustments, the surplus for the year was £1,844k (before actuarial pension gains of £13,326k) compared to a surplus of £2,811k in 2020/2021.
- During 2021/2022 the College received £128k in grant income and spent £4,329k on fixed assets. The College increased turnover by £1,634k, and increased expenditure by £384k (from original budget) mainly due to in-year 16-18 growth funding, catch up tuition funding and a cost pressure payment to staff.
- The External Auditors had provided unqualified/unmodified opinions on the Financial Statements and Regularity audits respectively.
- The College’s total borrowing decreased by £250k to £4500k over the year as a result of no further loans and repayments of £250k being made. Cash balances remained high at £16,924 and bank covenants were well satisfied.

- The College's financial health (as rated by the ESFA) was outstanding.
- There was a requirement for the approved Financial Statements to be submitted to the ESFA, along with the Finance Record by 31st December 2022.

A discussion took place. Following the recent announcement that colleges had been reclassified by the Office of National Statistics (ONS) as being within the public sector with immediate effect, the Principal and Head of Finance/Estates updated the Committee of the potential impact of this decision. The Committee was advised that this change in status would be noted in the Financial Statements.

Resolved: The Committee **noted** the contents of the report and that the Financial Statements 2021/2022 reconciled with the Management Accounts presented throughout the year.

8. POLICIES

- 8.1 Health & Safety
- 8.2 Staff Capability
- 8.3 Staff Disciplinary
- 8.4 Trips & Visits

The Committee considered the policies and the proposed amendments.

Resolved: The Committee **recommended Board approval** of the

- (i) Health and Safety Policy
- (ii) Staff Capability Policy
- (iii) Staff Disciplinary Policy
- (iv) Trips and Visits Policy

9. COMMITTEE SELF-EVALUATION 2021/2022

To consider the Committee's Self-Evaluation against its terms of reference

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 100%, against a target of 80%
- Membership details
- Terms of Reference
- Summary of Committee activities during 2021/2022

The Committee reflected on its performance throughout the 2021/2022 academic year. There were no areas of concern identified and the Committee was satisfied that it had fully complied with its statutory obligations and terms of reference.

Resolved: The Committee **approved** the self-evaluation of the Finance and Resources Committee's Performance in 2021/2022.

10. 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 12th December 2022:

- Management Accounts to 30th September 2022

- Property Strategy Update
- Annual Health and Safety Report and accompanying Statement of Intent
- HE Fees
- Policies for approval

11. DATES OF FUTURE COMMITTEE MEETINGS

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

- Board – 12th December 2022
- Strategic Planning Workshop – 10th February 2023
- Finance & Resources – 8th March 2023¹

The Chair thanked all attendees for their attendance and contribution at the meeting. There being no further business, the meeting was closed at 6.10pm.

Signed: Office copy signed by Susan Smith

Chair of Finance and Resources Committee

Date: 15th March 2023

¹ Subsequently changed post-meeting to 15th March 2023