

**MINUTES OF THE MEETING OF
THE FINANCE, RESOURCES AND INVESTMENT COMMITTEE
HELD VIA MICROSOFT TEAMS AT 5.30PM ON WEDNESDAY 30 JUNE
2021**

Present: Mr D Langton (Chair)
Mr E Drake
Mx L Johnson (Principal)
Mr G Dixon (Vice-Principal Finance and Resources)

In attendance: Mrs J Matthews (Director of Governance)

ACTION

APOLOGIES FOR ABSENCE

M20/174 There were apologies for absence from Dr Birkinshaw and Dr Morton, although the latter was only an attendee.

DECLARATIONS

M20/175 Mr Drake declared an interest in relation to the 4Cast software being used by the College.

MINUTES OF 5 MAY 2021

M20/176 The minutes of the meeting held on 5 May 2021 were approved as a correct record.

MATTERS ARISING ON THE MINUTES

M20/177 Members noted the update on matters arising on the minutes provided in the action tracker.

M20/163 – valuation of site

M20/178 It was reported that the valuation of the site had not yet been received.

PROGRESS UPDATES

Business and Community

M20/179 The Committee received an update on Business and Community activity and noted that the end of year funding claim was likely to be around 78%, an increase on the mid-year claim. In relation to apprenticeships, the availability of assessors for end point assessments remained an issue. A question was asked about whether the College could train end point assessors but it was confirmed that they had to be independent, and although apprentices could be sent to another centre for assessment, additional costs would be incurred.

Student Activity

M20/180 The Committee had received an update on student activity and the Principal confirmed that applications looked strong for 2021-22 and that the RAG rating reflected a comparison between the same point in the previous years. HE recruitment was down, with Early Years particularly affected by reputational issues, and a new recruitment campaign was being prepared. Although High Needs numbers were low, there was confidence that these would increase.

M20/181 A question was asked about when a decision would be needed on which HE courses to run and it was reported that the earlier A-level results would provide good indications of numbers. A further question was asked about whether any further Level 2 courses were planned and the Principal reported that some of the new courses were Level 2 courses over two years, with students coming in at Level 1.

FINANCE

Management accounts and finance KPIs

M20/182 The Committee received the May management accounts and finance KPIs and it was noted that there was a strong financial performance despite the challenges in income. The metrics suggested that the College was on the borderline of Good and Requires Improvement, depending on the sale of the High Street building.

M20/183 A question was asked about the calculation of average class sizes and whether it was an internal KPI or set by the FEC. It was reported that the College was working on 1:12 in workshops and 1:24 in theory classes and that the FEC had not offered any guidance on this although took note of it.

Finance action plan

M20/184 The Committee had received the updated finance review action plan which it was noted was almost completed and the Vice-Principal (Finance and Resources) reported that remaining actions would be included in the management accounts moving forward rather than as a separate report. A question was asked about whether there had been any further contact from the FE Commissioner, and it was confirmed that there had not but that all the information was ready.

Budget 2021-22 and financial forecasts 2022-23

M20/185 The Committee had received the budget for 2021-22 and financial forecasts 2022-23 and the following key points were highlighted:

- The cash/liquidity position was based on completion of the sale of the High Street building and no capital grant applications being successful. Different cash scenarios had been included.
- Pay costs had increased slightly due to new courses which required staffing. It was possible additional funding might be secured in-year but that could not be relied upon and had not been included.
- It was a stretching target for apprenticeships but there would be end point assessment payments that had been delayed from 2020-21.
- The biggest areas of risk were apprenticeships and HE.
- There was no sub-contracting planned for 2021-22.
- Depreciation had been assumed to remain the same until the site valuation had been received.
- Staff costs had been calculated using a bottom up approach and a pay increase costing £250k had been allowed for although different scenarios were being run, particularly focussing on staff on lower salaries.
- No increase in student funding had been assumed.

M20/186 The Principal outlined the job evaluation exercise taking place and the harmonisation of pay scales, along with an assessment of the possible financial impact. A question was asked about whether the cost of the job evaluation and a staff pay award had been built into the budget, and it was reported that a flat increase of £250k in pay costs had been included, but the detail of how that would be broken down had yet to be finalised. The Chair emphasised the importance of the paper being presented to the Board making it clear that there was an intention to make a whole staff pay award if it was affordable.

VP F&R

M20/187 A question was asked about what mitigation was in place should the growth in apprenticeships not materialise and the Vice-Principal (Finance and Resources) reported that the staffing base could be reduced to cut costs, but that no formal assessment of different scenarios had been carried out. Governors requested that exercise be done so that the Board could understand the flexibility around this area.

VP F&R

M20/188 A Governor questioned whether the reduction in the AEB of £217k was a best or worst

	<p>case scenario and it was confirmed that it was a middle of the road scenario. The Committee discussed the use of 4Cast for AEB and Apprenticeships to produce monthly reports, making it easier to identify issues earlier. It was also suggested that the College might use it for scenario modelling and the Vice-Principal (Finance and Resources) agreed to follow that up with 4Cast support staff.</p>	VP F&R
M20/189	<p>The Committee requested that the figure of £589k included for Investment and Inflation be broken down so that the Board had greater visibility of that.</p>	VP F&R
M20/190	<p>It was reported that the curriculum contribution was now 52% although some departments remained lower and that required further investigation. The Committee discussed the difficulties of comparing curriculum areas and suggested that it would be useful to compare departments with themselves year on year if historical data was available.</p>	
M20/191	<p>The Vice-Principal (Finance and Resources) reported that four capital scenarios had been included in the paper, reflecting different combinations of grant application outcomes and asset disposal, with scenario three being the most favourable. It was noted that a response to the Capital Transformation Fund application would not be received for several weeks. A question was asked about the profiling of the budgeted capital spend, and it was reported that much was planned over the summer although there was some flexibility.</p>	
M20/192	<p>The Committee recommended the budget for 2021-22 and financial forecasts 2022-23 to the Board for approval.</p>	
M20/193	<p>ESFA Letter: College financial statements 2019-20 CONFIDENTIAL MINUTE</p>	
M20/194	<p>HEALTH AND SAFETY The Health and Safety report and KPIs had been circulated and it was noted that there had been a second RIDDOR event since the last meeting. The Vice-Principal (Finance and Resources) reported that the College's insurers had been informed and the risk assessments in place had been reviewed, however this highlighted the need for a new equine facility. The Committee learnt that practice fire evacuations had taken place which had highlighted some improvements required in relation to High Needs students.</p>	
M20/195	<p>ESTATES AND TECHNOLOGY Estates report The Committee had received the Estates report and an update on the High Street sale and noted the contents.</p>	
M20/196	<p>Estates strategy An update on the states strategy had been circulated and it was reported that in order to progress with any grant applications, an approved estates strategy was needed, which required information about curriculum plans before it could be finalised. A planning session was taking place the following week to further progress this and the College would continue to work with AA projects. A strategy for consideration and approval by the Committee and the Board would be presented in due course.</p>	VP F&R
M20/197	<p>Technology report The Technology report had been circulated and it was noted that tenders for the IT leasing project were currently awaited.</p>	

CRaBSC Annual report and accounts 2020-21

M20/198 The annual report and accounts for CRaBSC for 2020-21 had been circulated and it was noted that there had been a change in the depreciation policy.

RISK REVIEW

M20/199 A paper had been circulated reviewing the risks within the remit of the Committee and it was noted that there were no new risks. A question was asked about whether there was a need to review the risks in relation to the budget and the different income streams, and it was confirmed that would be done.

VP F&R

REVIEW OF MEETING

M20/200 Members reviewed the meeting and agreed that the new format of papers was an improvement. It was agreed that it would be useful to identify some additional members for the Committee.

DATE OF NEXT MEETING

M20/201 It was noted that the next meeting would be held on Wednesday 20 October 2021.

The meeting closed at 7.20pm