



Minutes of the Finance and Resources Committee Meeting held on Thursday 21 September 2023 at 8am via Microsoft Teams

- Present:** John Fogarty – Chair (*Foundation Governor*)
Janet Gater (*Principal*)
Tracy Mawson (*Co-opted Governor*)
Andrew Rannard (*Foundation Governor*)
Naheem Shafiq (*Associate Member*)
- In attendance:** Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Lenore Burgess (*Finance Manager*)
Ruth Potter (*Clerk to Governors*)

The Chair welcomed all attendees and opened the meeting in prayer.

1. ROUTINE AND STANDING ITEMS

1.1 Declarations of interest

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter which formed part of the agenda for this meeting or was likely to be discussed at this meeting. No interests were declared other than those that were already recorded on the College's register of interests.

1.2 Apologies for absence

No apologies had been submitted. All members were present and the meeting was declared quorate.

1.3 Items to be included under any other business

There were no items submitted for inclusion under any other business.

1.4 Minutes of the Finance and Resources Committee meeting held on 22 June 2023 (*previously circulated*)

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

1.5 Matters arising from the minutes (*previously circulated*)

Committee members noted the action log prepared by the Clerk.

Action 2 – Management Accounts

The Clerk advised members that monthly management accounts would be stored on GovernorHub for access to key financial data in between formal committee meetings.

Q – What is the cycle for preparation and sharing of these accounts?

A – Every month, but the exact date of publication may vary according to staff availability and the College holiday pattern.

2. FINANCIAL MANAGEMENT

2.1 Finance Update and Management Accounts – August 2023 (*previously circulated*)

The Vice Principal presented the finance update and management accounts for the first month of the financial year and drew the Committee's attention to the following key points:

- Operating surplus (table 1) – RAG rated green due to favourable variance of £475k over the anticipated position at this point in the year. Anticipated deficit outturn position at end of year.
- Key performance indicators (table 2) – income slightly below profile due to changes in FE payment profile.
- Net assets of £9,286k
- Additional income streams and revenue budget adjustments (table 3) – since deficit budget was set, notified of additional £309k FE income in July 2023 and additional HE income of £300k due to over recruitment of HE students. Other variances explained and, once additional staffing costs accounted for, £140k remaining.

Discussion ensued regarding the additional income and budgetary adjustments. The Vice Principal reported that the Senior Leadership Team (SLT) had met to consider the impact on this year's operating budget and proposed that the remaining £140k be allocated to a contingency reserve until January 2024 before being applied to reduce the projected deficit.

Governors' comments and questions were invited.

Q – Additional costs associated with HE over recruitment; what has been accounted for?

A – Main element is staffing costs. Also limited revenue costs.

Following consideration, governors **agreed** to the proposal in principle and emphasised the importance of regular updates on the movement of this given the link to the outturn.

- FE income changes – increases to base funding rate and programme weighting had given rise to additional income of £309k. Detailed breakdown of impact on budget provided in report, highlighting variances.
- HE income changes – significant increase in planned student numbers as a result of adjustments to HE entry criteria following publication of Level 3 results in August 2023. This impacted the conversion rate from application to enrolment. Student fees due to increase from September 2024 with the agreement of University of Liverpool.
- Staffing changes – enrolment headlines reported alongside impact on staffing arrangements and associated costs. Noted significant increase in demand for GCSE English and Maths resits.

Q – Some challenging posts to cover (for example, 0.2 FTE posts); how has this been achieved?

A – Complex arrangement, but respond creatively to find staffing solutions within additional income streams. Longer term, there are sector-wide issues

regarding recruitment of staff, particularly in STEM subjects, which present a risk.

The Committee **approved** the finance update and management accounts as at the end of August 2023.

2.2 **Interim year end accounts 2022-23** (*previously circulated*)

The Vice Principal presented a summary relating to the financial performance of the College for the year ended 31 July 2023. It was confirmed that the report was in draft and would be subject to audit. The report incorporated: headline performance, key performance indicators, income and expenditure account, balance sheet, revenue and capital budget adjustments, activity report and cash flow forecast.

The Vice Principal highlighted the following aspects from the report:

- Negative outturn as operating deficit at end of July 2023 was £(151)k – adverse variance of £(226)k over the anticipated position at year end, however this included the FRS actuarial valuation figure of £203k (which was disregarded for the purposes of the Education and Skills Funding Agency [ESFA] financial health grading).
- Net assets of £9.196k.
- Pay costs adverse against plan by 3.7% due to payroll changes in year.
- Catering and transport costs highlighted.
- Exam invigilation costs increased.
- Non-pay costs – key changes noted.
- Admin and central services spend – increase in subscriptions, software maintenance support and stationery costs highlighted.
- Premises spend – electricity and gas costs increased significantly. LED lighting should reduce costs and sustainability group constantly reviewing the situation.
- Activity report – £435k down on 16-19 core funding due to lower student numbers.
- Cash flow table highlighted.

Governor comments and questions were invited.

Q – When was the College advised of the FRS17 adjustment and was there a way of tracking and anticipating this during the year?

A – Advised in September and no way of tracking this in-year.

With regard to the upcoming external audit, the Chair advised that currently some auditors would not sign off accounts until it was proven that there was no Reinforced Autoclaved Aerated Concrete (RAAC) on the estate. Discussion ensued and the Vice Principal confirmed that the College had been inspected and no RAAC had been found. It was clarified that the list of affected schools and colleges published by the Department for Education (DfE) referred to a Carmel College based in Darlington.

The Chair thanked the Vice Principal and the Committee **noted** the report.

2.3 **Student Recruitment 2023-24** (*previously circulated*)

The Vice Principal presented her report on student recruitment data for 2023-24 as at 13 September 2023. She highlighted the following points:

- Total number of funded learners was reported as 1,986, however this figure had recently been updated to 1,959. Whilst this latest figure met the College target, it was anticipated that total student numbers would reduce by the official enrolment target date of six weeks continuously on course (13 October 2023).
- Lower Sixth and Upper Sixth recruitment on target, however under recruitment of students into Foundation Learning and Art Foundation Departments was not anticipated.
- Continued active management of student recruitment and retention.
- Future planning – will need to review staffing accordingly.
- Significant over recruitment of students enrolled onto degree courses in connection with the University of Liverpool.
- Analysis of student enrolment data by cohort (gender, religion, Local Education Authority [LEA], ethnicity and school).
- Increase in students from certain schools following introduction of new free bus routes.

A discussion ensued on key aspects of the report and data and governor comments and questions were invited.

Q – With regard to the increase in students from free bus areas – did the numbers justify the costs of the services?

A – Proper analysis of this would be done once student numbers had crystallised following census date.

Discussion ensued on the balance between attracting students to the College and the need to retain them.

The Committee thanked the Vice Principal for her report and **noted** the contents.

ACTION – Share cost benefit analysis of free bus routes.

2.4 **ESFA Accountability Agreement** (*previously circulated*)

The Vice Principal advised the Committee that the College had received and signed its contractual funding document from the ESFA – now termed the 'Accountability Agreement'. A revised version had just been issued, outlining details of the updated funding allocation. The previous accountability agreement had been shared with governors in the document pack and the updated version would be uploaded onto GovernorHub.

The Vice Principal drew members' attention in particular to the appendices setting out the responsibilities of governors, the financial rate change table, and the revised funding summary.

The Committee **noted** the contents.

ACTION – Share updated version of Accountability Agreement.

3. ESTATES MANAGEMENT

3.1 Condition Improvement Fund (CIF) – Roof Repairs Project *(previously circulated)*

The Vice Principal provided an update report on this capital project. Due to excessive rainfall over the summer holidays, work had overrun against the original timescale. Main works were now complete with just snagging remaining; all site work was due to be completed by the end of September. Projected cost was anticipated to be within the approved budget.

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

3.2 Accident Annual Report *(previously circulated)*

The Vice Principal presented this anonymised report, prepared by the College Estates Manager, which confirmed accident data for students, staff, visitors and contractors for the period August 2022 to July 2023. Historic data for the previous four years was presented for comparison. It was reported that student accident numbers remained static, however staff accidents had increased. One RIDDOR reportable incident occurred during the year. No trends had been identified.

The Vice Principal reported some concern at the low level of accident reporting from students and indicated that students would be encouraged to report any incidents during the health and safety update delivered as part of the pastoral programme. Student incident data was also reported (non-accidents, where a student had visited a first aider for treatment).

The Chair thanked the Vice Principal for her report and the Committee **noted** the contents.

4. RESOURCE MANAGEMENT

4.1 Staff Recruitment Annual Report *(previously circulated)*

This anonymised report was presented by the Vice Principal and included data in relation to all internal and external appointments from September 2022 to August 2023. It was reported that challenges remained in filling certain posts, particularly science teachers and certain support staff roles. In some specific subject areas, even supply agencies had no staff available. This had led to very limited fields for certain recruitment exercises. The Vice Principal reported on the various strategies that had been employed to improve application numbers and it was hoped that these actions would yield improved application rates.

Governors discussed the report and the longer-term planning to address this issue. Schemes such as Taking Teaching Further were highlighted as providing potentially longer-term solutions to filling teaching posts in certain subject areas. The Vice Principal reported that the College had successfully registered for this scheme, however it had not yet had any posts available in the eligible subject areas.

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

4.2 **Staff Absence Annual Report** (*previously circulated*)

This anonymised report was presented by the Vice Principal and included the percentage absence rate amongst teaching staff, support staff and cleaning staff for the period September 2022 to August 2023. Comparative data from 2021-22 was also included. The Vice Principal reported an increase in the absence percentage from the previous year across all categories. However, the number of long-term individual staff absences (triggered after 40 consecutive days) had decreased. No correlation with the staff climate survey had been noted.

The Vice Principal confirmed that a revised absence monitoring procedure had been introduced for the 2023-24 academic year and would be subject to regular monitoring by the Senior Leadership Team (SLT). In addition, the College had invested in an Employee Assistance Programme (EAP) which would give staff access to extra support and advice designed to promote health and wellbeing.

Governors' comments and questions were invited.

Q – Employee Assistance Programme: is this being delivered by an external company?

A – Yes. Further details of the programme will be shared.

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

ACTION – Share details of Employee Assistance Programme

5. **COMMITTEE EFFECTIVENESS**

5.1 **Review of Finance and Resources Committee Cycle of Business** (*previously circulated*)

The Clerk referred members to the Committee's cycle of business and highlighted recent amendments. Committee business would be planned in accordance with this document and in response to arising needs.

Following discussion, it was agreed that review of the Business Continuity Plan and IT Disaster Recovery Plan aligned more closely with the remit of the Audit Committee given its assurance function and its role in reviewing the annual report of business continuity incidents. Benchmarking with other sixth form colleges had also confirmed this position.

The Committee:

- **noted** the contents of the document, and
- **agreed** that policies relating to business continuity and disaster management should be reviewed by Audit Committee.

ACTION – Audit Committee agenda item: cycle of business.

5.2 **Review of Finance and Resources Committee Terms of Reference** (*previously circulated*)

The Clerk invited Committee members to conduct an annual review of the current Terms of Reference to determine whether these remained fit for purpose.

In light of the ONS reclassification decision in November 2022, the Clerk indicated that the Committee may wish to consider an addition to clause 3 to make explicit the need for compliance with HM Treasury requirements. Committee members were in agreement with this proposed addition, which would be referred to Search Committee for review and then onwards to the full Governing Body for approval.

ACTION – FGB agenda item: proposed amendment to Terms of Reference

5.3 Review of Committee’s Key Performance Indicators (KPIs) 2022-23 *(enclosure)*

The Clerk advised governors that the Committee was required to review its own performance annually and presented an analysis of performance against agreed KPIs from the previous academic year.

It was noted that all KPIs had been achieved. Given the challenges faced last year and the additional meetings attended by governors who had sat on recruitment panels and/or tender panels, the Committee attendance data in particular was noted as a key strength. The Chair thanked Committee members for their commitment and contributions during the previous year.

Governors **noted** and **agreed** the analysis report on KPIs for 2022-23.

5.4 Approval of Committee’s Key Performance Indicators (KPIs) for 2023-24 *(previously circulated)*

The Clerk recommended some changes to the KPIs for the current academic year.

The Committee **approved** the key performance indicators for 2023-24 as presented by the Clerk.

5.5 Review of Committee skills analysis and training plan *(previously circulated)*

The Clerk presented an anonymised analysis of the 2023 skills audit responses for Finance and Resources Committee members. It was noted that no questions scored below an average of three and, as a result, no specific skills gaps were evident on the Committee.

Notwithstanding this, members were invited to consider the training and development opportunities available via the Sixth Form College Association (SFCA) governance webinar programme and the Education and Training Foundation (ETF) Governance Development Programme. In addition, the Clerk invited members to notify her throughout the year should any individual or collective training needs arise.

The Committee **noted** the contents of the report and **agreed** to review the training and development opportunities available and access these in line with individual needs.

6. OTHER MATTERS

6.1 Governor Training

Members were invited to update the Clerk on any training activities they had completed since the last meeting. No activities were reported.

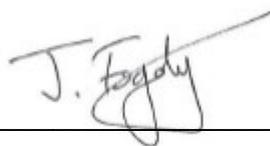
6.2 Any Other Business

None

6.3 Date of Next Meeting

Thursday 16 November 2023 at 8am

The Chair thanked all Members for their attendance and contribution at the meeting. There being no further business to discuss the meeting was brought to a close at 9.05am.



Signed by the Chair: _____

On this day: _____ 16 November 2023 _____