

MEETING OF THE FINANCE, RESOURCES AND COMMERCIAL COMMITTEE

TIME/DATE 10.30AM Wednesday 23rd June 2021

VENUE remote by Microsoft teams due to coronavirus pandemic.

Mr. P Han (Chair)	External Governor
Mr. S Pierce	Principal
Mr. J Pinsent	External Governor
Mr. N Shore	External Governor
Mrs. E Brocklehurst	External Governor
Dr. D Balsamo	External Governor
Mr A. Owen	External Governor

IN ATTENDANCE

Mr. K Sanderson	External Governor
Mrs. S Jee	External Governor
Mr. I Johnson	Head of Finance
Mr. R Garcha	CFO
Mrs. L Lloyd-Williams	Governance Director
Mr. M Doyle	Deputy Principal
Mr J Hays	Director of HR

Italics denotes absence

DRAFT MINUTES

The meeting opened at 09.03 and was quorate.
1 APOLOGIES FOR ABSENCE Apologies were received and accepted from Mr Shore.
2 DECLARATIONS OF INTEREST There were no declarations of interest.
3 NOTIFICATION OF URGENT BUSINESS There was no urgent business.
4 MINUTES OF THE PREVIOUS MEETING HELD ON 17th March 2021 The minutes of the meeting on the 17 th March were approved as a true and correct record of the meeting.
5 MATTERS ARISING The committee were advised that all actions capable of completion had been completed.
7 MANAGEMENT ACCOUNTS & KPI dashboard (This item was elevated on the agenda)

The CFO advised that there had been continuous financial improvement and EBITDA would now be 2.6%. The committee were advised that the College expects to deliver its financial recovery plan targets and that the College's financial health is on the cusp of good. Governors asked about the lowering of the financial surplus and asked for an explanation of the reduction over 2 months. The CFO advised that it was skewed by the fact there is a [REDACTED] in the accounts and there is claw back provision for AEB. Governors were advised that the tolerance rate for the Liverpool Combined Authority will be 68% which the College would meet but there would be claw back of the non-devolved AEB. Claw back provision was outlined to the committee who were advised that this was an improvement on the last year. Governors also asked about the [REDACTED] and whether there was the right provision within the budget. Governors sought assurance that this would adequately cover the redundancy costs. The CFO gave the committee this assurance and confirmed that it would go into the financial statements.

Governors also asked about the risks and risk of not delivering and were advised that this was low, but the key risk would be delivery of AEB. The CFO advised that a number of measures were being put into the College to ensure delivery in the next academic year. The Head of Finance added that the redundancy figure will change as the College is currently in the consultation process. The committee were informed that the College had made a surplus of £463K against £296K and explained the reason for the variation. The committee were taken through the detail of the I&E and noted that the income to date was very close to the actual budget. Regarding expenditure, the Head of Finance advised staffing costs were under budget for the year to date and that the College had achieved a lot of savings in relation to overheads due in part to Covid.

In relation to cash, the committee were advised that the position was good and had been helped by the capital condition funding which would not have all been used by the end of July with approx. [REDACTED] going into the next academic year. Regarding the recovery plan, the Head of Finance advised the targets had been achieved and overachieved in relation to staffing. Governors asked about the figures and how they related to the College as opposed to Waterside and the Head of Finance detailed the gift aid payments from [REDACTED]. It was agreed the Head of Finance would provide a table to explain this.

Action: Head of Finance to send out to committee

6 BUDGET 2021/22 (Confidential)

The Chair of the committee commented that this was an extremely important document in terms of what the College had to deliver. The CFO gave assurance that the budget had been prudently constructed and would deliver a financial health grade of good. The committee were taken through the risks and explained the steps that had been taken in particular in relation to AEB. It was noted that the College would have a cash balance of [REDACTED]. The committee were also advised that the College had applied for some grants to invest in infrastructure and Governors were advised of the amount that had been earmarked for a potential pay award.

Governors asked the Executive how challenging delivery of the budget would be and were advised that it would be tight. The Principal emphasized the uncertainty of Covid. Governors asked about the pay award and timing. [REDACTED]

[REDACTED] The Principal advised that in particular there was a significant difference for those who are lowest paid in the College compared to other colleges. Governors also asked about the strategy in relation to HE and whether it was to be developed. The Principal advised that it was to be developed and advised that it was a priority to review the college's HE strategy. The Deputy Principal confirmed that the College might want to diversify and be slightly more vocational.

The Head of Finance took the committee through the detail of the budget and confirmed that the College would be able to manage the cashflow. Governors asked about the ratios and whether the College was confident that it had the levers to potentially apply the right degree of adjustment at the end of the year. Governors also asked about space utilisation and how this would interact with the budget. The committee also discussed staff utilisation and the Director of HR gave input to this and advised that this had been a driver in the planning process.

[REDACTED] Governors challenged the Executive as to how confident they were in predicting growth in relation to adults. The Deputy Principal gave further details around this and the development of new courses and new levels in existing programmes. Governors also asked for an overview of the contingencies on page 6 and the Head of Finance explained this in detail. The Principal drew the committee's attention to the amount the College was hoping to spend on capital next year.

11.01 The Deputy Principal left the meeting.

Each committee member was asked for their opinion and the conclusion of the committee was that it was a challenging but achievable budget. Governors questioned the Executive as to whether they were confident they would have early warnings if things started to go wrong. The Principal gave assurance that there would be very close monitoring of early recruitment patterns which would be a key indicator.

It was

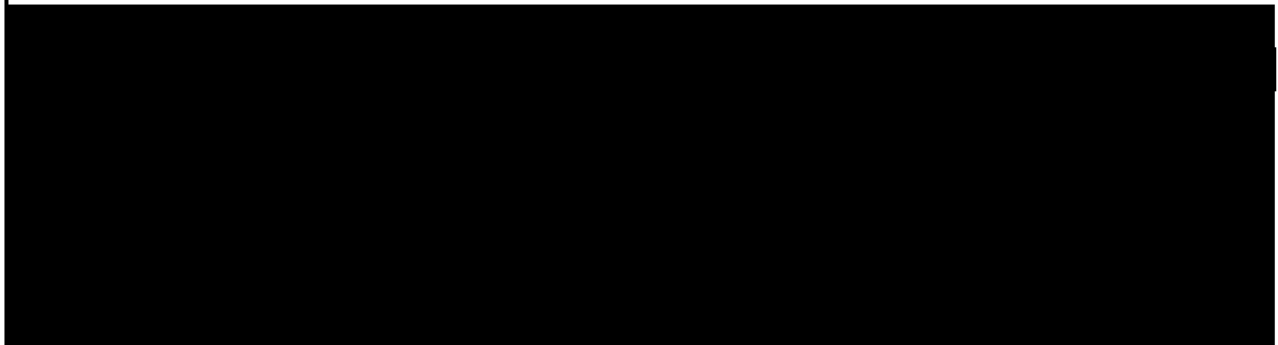
Resolved to recommend the budget to the Governing Board for approval.

The committee expressed their thanks to the whole team.

8 HR REPORT

The Director of HR advised that in terms of staffing, data would not change significantly and that both staff turnover and sickness was down and the issue was how much Covid 19 would have an impact on this. Governors asked if there had been any reluctance to

come into the college and the Director of HR advised there had been a couple of staff with health concerns and explained what the College was doing in this regard. It was explained to the committee that the College has a list of staff who need supporting and that the College also has one member of staff who is suffering from long covid.



11.23 Mr Sanderson left the meeting and it remained quorate.

The committee were updated regarding the staff survey and advised that all senior managers would be participating in a management development programme which included external provision from the ETF. The committee were also notified that all senior managers had received ED&I training. Regarding appraisals the committee were informed that these would be completed by end of August for business support and October for academic staff. The committee were also updated about communications in the college.

10 GDPR & FREEDOM OF INFORMATION 20/21

The Head of IT advised the College was doing well in relation to GDPR compliance and the target for the College was 100% compliance. The committee were advised that there had been only minor breaches which gives assurance that staff understand data protection and there had also been less freedom of information requests. Governors noted the awarding of the cybers essential plus accreditation to the College in respect of its cybersecurity. In respect of the policies before the committee, members were advised that there had been no changes to legislation.

10.1 Data Policy

It was

Resolved to recommend the data policy to the Governing Board for approval.

11 HEALTH & SAFETY TERMLY REPORT

The committee were advised that the number of incidents and near misses were low due to lockdown. The committee were also informed that there had been a health and safety audit of all the sites which had come up with a number of recommendations which were being actioned. Governors asked to receive a summary of the actions for the next meeting.

Action CFO for the next meeting.

12 FEES AND CHARGES POLICY

It was

Resolved to recommend the fees and charges policy to the Governing Board for approval.

13. SUBCONTRACTING

The CFO explained the rationale regarding the choice of subcontractors and Governors queried one of the choices with it being explained that this would give the College options out of the area. The committee were provided with details of the geographical areas and the likely curriculum areas.

It was

Resolved to recommend to the Governing Board the list of subcontractors and the supply chain fees and charges policy.

14 GOVERNANCE

14.1 ANNUAL REVIEW OF COMMITTEE PERFORMANCE

Governors considered the committee performance review and after discussion decided that they would not grade it. It was noted that the review would feed into the board performance review and subsequent Governance QIP.

14.2 ANNUAL REVIEW OF COMMITTEE TERMS OF REFERENCE

The committee endorsed the proposed changes and

It was

Resolved to recommend the proposed terms of reference to the Governing Board for approval.

14.3 SCHEDULE OF BUSINESS 2021/22

The schedule of business was approved.

15 MATTERS ARISING UNDER FINANCIAL REGULATIONS

Retrospective approval was given by the committee in respect of the contract with [REDACTED]

16 URGENT ITEMS

There were no urgent items.

17 DATE & TIME OF NEXT MEETING

TBC
