



**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 9 OCTOBER 2024 AT 9.30 AM, HYBRID - REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE**

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**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 9 OCTOBER 2024 AT 9.30 AM, HYBRID - REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE**

Present: Martyn Marples (Chair), Andrew Cochrane, Mandie Stravino

In attendance: Jo Clifford, Heather Kelly, Rose Matthews (Clerk)

	Action	Date
<p><b>01/24-25 APOLOGIES FOR ABSENCE</b></p> <p>There were no apologies from Members. Apologies for absence were received from Claire Love, Finance Director.</p>		
<p><b>02/24-25 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM</b></p> <p>All members were eligible, the meeting was confirmed to be quorate and there were no new declarations.</p>		
<p><b>03/24-25 TERMS OF REFERENCE REVIEW</b></p> <p>An annual review of the Committee Terms of Reference had taken place with key changes relating to the updated DFE Colleges Governance Guide.</p> <p><b>RESOLVED: The Committee recommended the Terms of Reference for approval by the Corporation at its meetings on 21 October 2024.</b></p> <p>Members did discuss the composition of the committee following the departure of Phil Dover and suggested consideration be given to an additional person joining the committee.</p> <p><b>RESOLVED: It was agreed to leave for the moment but that this be picked up in the future.</b></p>	Chair	21/10/24
<p><b>04/24-25 MINUTES OF THE PREVIOUS MEETING HELD ON 1 JULY 2024</b></p> <p><b>RESOLVED: The minutes of the meeting held on 1 July 2024 were approved as a true and accurate record.</b></p>		
<p><b>05/24-25 MATTERS ARISING</b></p> <p>34/23-24 The DCEO was unable to find benchmarking from the AoC in terms of employee response rate. She had however, e-mailed all</p>		

committee members on 11/07/24 with the headline staff turnover breakdown.

**RESOLVED: Committee members accepted the response.**

**06/24-25 FINANCE REPORT – MANAGEMENT ACCOUNTS, INCLUDING**

- **MANAGEMENT ACCOUNTS**
- **CAPITAL REPORT**
- **ACADEMY REPORT (INCLUDING PAY ANALYSIS)**
- **TREASURY MANAGEMENT REPORT**

The CFO presented her report summarising the College's financial performance for 2023-24.

The report showed an improved position since the previous forecast with a 6.5% EBITDA.

The key changes were outlined and related to an improved cash position as of July 2023 (resulting in a higher EBITDA and a reduction in final capital spend), delayed spend profile of capital grants during 2023-24, improved EBITDA for year ending July 2024. Additional capital grants awarded in 2023-24 and cash generation from treasury investments.

Apprenticeship early completers had a positive impact on income and early billing to some commercial full cost customers had helped.

Vacancy drift had helped pay costs. DANCOP funding would cease next year but redundancy costs had been avoided due to redeploying those concerned into vacancies.

Exam costs had been lower than expected which were difficult to predict as they are end of year figures. This had improved the non-pay costs.

There had also been non-pay underspends against curriculum areas, with positives due to time management.

It was proposed the provision relating to the unconsolidated award be increased as outlined in the report, which if approved would be presented to the Unions as part of pay negotiations. This will mean an adjustment in the audit as notification did not take place at year end. **The FRC Chair asked if this would affect materiality.** The CFO said it should not affect it as it could be included in negotiations.

**Discussions related to the proposal and previous feedback from the unions.** That received so far focused around terms and conditions. Corporation Members had approved provision for a cost of living pay award as part of the budget approval in July 2024.

The biggest movement in income and expenditure related to capital projects. The capital grant showed in last year's accounts

and adds to the College's cash balance in terms of reclassification and transformation grants. With regards to projects, motor vehicle was highlighted as a red risk. The College had notified the DFE with regards to the delays - anticipating a December completion. This was flagged as a risk due to the extension of time and likely additional costs.

Cashflow was discussed and a higher EBITDA predicted. The College were more robust in terms of the covenants.

**The Chair said it needed to be clear for all to see how the College had managed the financial position to facilitate such a change.**

**The Chair asked if the financial position provided an opportunity to be more creative.** The CFO explained that depended on the pay award settlement with the Unions and provided other budget targets had been achieved.

**The Committee Chair asked if the financial health grade presented an artificial picture. Did the College have to be so pessimistic for the previous year.** It was pointed out the College received monies from the DFE last year which allowed the 6.5% pay award offer, which was advantageous. The College also received the growth funding in year. There were a lot of unknowns at the point of setting the budget. The RI budget was based on the EBITDA point score and the College had added 10 points to that from last year's outturn.

**The Committee Chair acknowledged the response and said that needed to be clear to the rest of the Corporation as there may be challenge as to whether the College were ever going to get RI.**

**The Chair said the organisation did not exist to sit on cash and that it needs to mitigate some of the challenges it faces.** The CFO explained there would be a better indication at the next meeting when the management accounts were presented.

**The Committee Chair asked if the financial position was likely to be the new norm.** It was accepted the College could potentially be a in good position.

The CFO also referenced the Johnson exit which would bring some efficiencies if it happened during this financial year. She also referenced the demographics, there had been growth in school leavers nationally, but that does tailer off in years to come with primary schools already seeing this pattern.

The estate condition was far from ideal with some buildings getting to the end of their lifecycle and maintenance is a big expense in terms of financial pressure. There is no borrowing now for capital investment and the College would be incumbent on generating themselves.

**RESOLVED: The Committee were asked to recommend to the Corporation:**

- **To note the Draft Year End Financial Report and KPI's to 31 July 2024.**
- **To note the position regarding financial health and covenants.**
- **To note capital update and project progress to July 2024.**
- **To approve that a provision is made for an increase to the non-consolidated pay award for employees.**

*The meeting finished at 10.45 am*