



MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 10 OCTOBER 2023 AT 10.00 AM REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE

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**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE
MEETING HELD ON 10 OCTOBER 2023 AT 10.00 AM HYBRID
REMOTELY VIA MS TEAMS AND IN T108, AT THE ROUNDHOUSE**

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

In attendance: Jo Clifford, Ant Dews, Heather Kelly, Claire Love, Di Troman
Rose Matthews (Clerk)

		Action	Date
01/23-24	APOLOGIES FOR ABSENCE		
	No apologies for absence were received.		
02/23-24	DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM		
	All members were eligible, the meeting was confirmed to be quorate and there were no new declarations.		
03/23-24	MINUTES OF THE PREVIOUS MEETING HELD ON 27 JUNE 2023		
	APPROVED: The minutes of the meeting held on 27 June 2023 were approved as a true and accurate record.		
04/23-24	MATTERS ARISING		
43/22-23	With regards to re-phasing of work, this would be carried out if necessary.		
	The Budget was recommended to Corporation and approved at its meeting on 10 July 2023.		
44/22-23	Financial Planning Handbook checklist was recommended to the Corporation and approved at its meeting on 10 July 2023.		
46/22-23	Sub-contracting provision was approved by the Corporation at its meeting on 10 July 2023.		
47/22-23	The Energy Contract was approved by the Corporation at its July meeting.		
49/22-23	The Contractor approvals for Davlyn and YDM Boon were approved by the Corporation in July.		

Name: Rose Matthews

Date: 10/10/23

Area: FRC

Ref: Corp/FRC Page 2 of 6

05/23-24 TERMS OF REFERENCE REVIEW

The Terms of Reference had undergone an annual review. These had been updated to reflect the Treasury’s Managing Public Money guidance and the DFE’s letter to colleges dated 29 November 2022. The details of the changes were outlined in the accompanying report.

The new Director of Finance had been added to the list of regular attendees with the Director of Estates, Director of IT and Director of HR to attend when invited.

RECOMMEND: The Finance and Resources Committee Terms of Reference were recommended to the Corporation for approval at its meeting on 23 October 2023.

Chair 23/10/23

06/23-24 FINANCE REPORT INCLUDING:

- **MANAGEMENT ACCOUNTS FOR JULY 2023**
- **CONTRIBUTION SUMMARY**

The CFO reported on progress towards headline financial KPIs and targets including Management Accounts.

Providing an early overview of the 2023-24 financial position and emerging matters, along with presenting an analysis of performance at Academy level.

The FRC Chair questioned the revised dilapidations figure and asked what it was before, the CFO confirmed it was £800K and £1.4m was the best case scenario.

The Committee noted the contract allocation for the two sub-contracted partners had been increased to enable the final outcomes/achievements to be claimed. **The FRC Chair questioned if this required Board approval. It was clarified this was a budget variance and did not exceed the threshold requiring Board approval.**

Members questioned if anything out of the final position budget for 2023-24 that was different, if there was anything better, worse or they needed to be more vigilant with.

The CFO confirmed the position with energy was positive and there were potentially more rate refunds. There was nothing significantly different from that proposed and the College continued to deliver pay savings. The cashflow analysis showed substantial amounts spoken for and the AEB clawback on capital grants was ringfenced. Interest on banking had been agreed with the banks, and whilst that did not help the EBITDA it did help the cash position.

The Chair questioned if a breach of covenants was still likely for 2022-23 – which was not likely, and the position for 2023-24 was discussed.

An overview in terms of allocation for 23-24 was discussed and Members questioned when they received the information to indicate the financial position and if there were any concerns. The R04 return was the key indicator. Members would be informed at the next meeting what indicative numbers were.

PD asked about the EBITDA position and financial health and asked if there was likely to be any action this year or if the College was in the same position as other FE providers.

The CFO advised there was not likely to be an intervention, unless the College alerted. The CFO and DCEO met with the ESFA regularly and they had asked the College to work through the situation. Most other colleges had passed on the funding in the same way as DCG. The ESFA want to understand the College's budgeted position.

The Corporation Chair asked if there was a trend for improvement across the sector. Anecdotally the College were hearing about growth across the sector, mainly due to the GCSE results. Will see heightened results for English and maths.

The Corporation Chair asked if the College could resource the additional numbers likely to come through. They were piloting dropping the teaching hours in some areas (where they could) to provide further capacity.

The Committee Chair questioned contribution levels, for example, the College meets the needs of the local community, but then doesn't hit its contribution level in healthcare apprenticeships. Did the College get it wrong or was it just a poor year for that area? The CFO confirmed it was a poor year in that area, the budget agreed had been set by a previous manager and the team had looked to change the strategy mid-year. Any areas that were not close received additional scrutiny and challenge around their staffing model.

07/23-24

- **ESFA FINANCIAL HEALTH DASHBOARD**

The ESFA Financial Health Dashboard had not changed since April and had been previously reported on.

08/23-24

- **TREASURE AND CASHFLOW MANAGEMENT POLICY**

The Director of Finance presented an updated Treasury and Cashflow Management Policy and highlighted key changes. These reflected recommendations contained in CIPFA's Code and the Managing Public Money guidance subject only to amendment where necessary to reflect the circumstances of the College.

The Committee Chair questioned the removal of the £4m limit of funds invested in any one institution and asked if that put the College at any further risk. It was confirmed not with the supporting cashflow. The College were only intending to remain

with Lloyds and Barclays and this did not give any more risk of bank failure than it would in any other.

RECOMMEND: The Finance and Resources Committee recommended the Treasury and Cashflow Management Policy to the Corporation for approval at its meeting on 23 October 2023.

Chair

23/10/23

09/23-24 ESTATES AND PROPERTY – CONTRACTOR APPROVALS

The Director of Estates provided an update on the IoT works and sought approval for contractor appointments.

There had been delays to the IoT work which were outlined in the report. **The Committee Chair asked if the College were still expecting to open by September 2024 and if a contingency had been built into the budget.**

It was confirmed the build works were still on track to open in September 2024 and there was a substantial contingency in the budget, the majority of which still remained.

The Corporation Chair asked if there would be a grand opening and suggested approaches start to be made in terms of high-profile personnel to open.

Following a formal tender process it was proposed to recommend Davlyn Construction be appointed as principal contractor on the new Motor Vehicle centre to be conducted at the rear of the Stephenson Building. The value of which was detailed in the report.

The Corporation Chair noted the tight budget and questioned what the scope was to come back with add on's or variations. It was confirmed this was a fixed price contract. The College would also benefit from the £50m liability insurance Davlyn already had in place now for the IoT.

RECOMMEND: The Finance and Resource Committee recommended that Davlyn Construction be appointed as principal contractor on the Motor Vehicle facility to the Corporation at its meeting on 23 October 2023.

Chair

23/10/23

It was proposed extend the planned maintenance with Dalkia for a further 12 months. Dalkia had been appointed with the option to extend until 30 January 2025 at which point a competitive tendering exercise would need to take place.

The Committee Chair pointed out there were likely to be increased costs from 1 February 2025. It was noted future tendered contracts were likely to incur increased costs, but a back to basics approach may be considered at that point.

RECOMMEND: The Finance and Resource Committee recommended that Dalkia be extended for a further year to continue the planned maintenance contract and this be taken

Chair

23/10/23

to the Corporation for approval at its meeting on 23 October 2023.

10/23-24 **HUMAN RESOURCES – PULSE SURVEY**

The Director of HR presented the key headlines from the HR pulse survey carried out in March 2023.

There had been a 13% increase in the number of responses and Members were pleased to note there had been an increase in the percentage of people who said they were coping well, with a small number who were not. Communications throughout the remainder of the 2022/23 academic year continued to signpost employees to HR, their line managers and self-help guides.

New questions had been added around change and relationships with positive feedback in both areas.

The Chair asked if the overall response rate was good? The Director of HR advised it was within the boundary of what one would expect. A higher level of response rate indicated a better level of engagement in the organisation.

A brief update was provided in terms of the current position in relation to the pay offer.

11/23-24 **WHAT HAVE WE LEARNED?**

Members acknowledged the additional monies from the DFE had supported with a better pay award offer and members were satisfied with the direction of travel.

The meeting finished at 2.00 pm

Signed: _____ Date: _____