



**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD
ON 23 NOVEMBER 2021 AT 1.00 PM REMOTELY VIA MS TEAMS**

APOLOGIES FOR ABSENCE 2
DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY
AND QUORUM 2
MINUTES OF THE PREVIOUS MEETING HELD ON 5 OCTOBER 2021 2
FINANCE REPORT 2
PEOPLE REPORT 4
PROPERTY AND ESTATES MANAGEMENT REPORT 5
IT AND DIGITAL REPORT 5



MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 23 NOVEMBER 2021 AT 1.00 PM IN REMOTELY VIA MS TEAMS

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

In attendance: Iain Baldwin (Director of Estates)
Bernadette Doyle (Executive Director of HR)
Richard Eaton (CFO)
Ian McCormick (Director of IT)
Heather Simcox (Deputy CEO)
Rose Matthews (Clerk)

09/21-22 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mandie Stravino

10/21-22 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.

11/21-22 MINUTES OF THE PREVIOUS MEETING HELD ON 5 OCTOBER 2021

APPROVED: The minutes of the meeting held on 5 October 2021 were approved as a true and accurate record.

12/21-22 MATTERS ARISING

05/21-22 The CFO had included estimates in his report and the updated benchmarks had been included.

06/21-22 The Executive Director of HR would provide a brief update as part of her agenda item on recruitment strategies.

08/21-22 Each meeting would focus on one area's strategy. This would commence with the HR Strategy later in the meeting.

13/21-22 FINANCE REPORT, INCLUDING;

- FINANCIAL STATEMENTS
- MANAGEMENT ACCOUNTS
- ESFA LETTER AND DASHBOARD

Financial Statements

Committee members had already joined the session earlier at

Action	Date
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Name: Rose Matthews

Date: 23/11/21

Area: FRC

Ref: Corp/FRC Page

2 of 5

which the External Auditors had presented their completion report.

The Financial Statements had been substantially audited with the key issues relating to the AEB clawback and LGPS pensions adjustment.

Lennartz had been agreed and learner income testing was yet to conclude. The Auditors were still finalising going concern.

EBITDA was at 5.4%, with 2020-21 including the re-structuring exercise.

The clawback presents a good picture in 2020-21, but less so in 2021-22. The CFO had already raised this with the ESFA and the bank.

The covenants were also discussed and the Chair asked for a short paper for the next meeting summarising the provisions in place, along with the risks.

The Committee briefly picked up on MBS which had been raised in the earlier session. The Directors had agreed not to wind up due to a number of reasons, which were discussed.

There were no concerns with DCG Services.

RECOMMENDED: The Committee had reviewed the financial elements of the financial statements for DCG, DCG Services Ltd and MBS and were satisfied to recommend the Corporation approve based on completion of the outstanding elements.

ESFA Letter and Dashboard

The CFO summarised the dashboard from the ESFA, which was based on the forecasted 2021-22 budget. Financial health showed good for both years. Members discussed the dashboard in detail which covered the Group's position in the sector.

Andrew Cochrane pointed out the dashboard showed the Group as outstanding in 2022-23. The CFO confirmed the target was to maintain the good grade, but the clawback could affect this and an update was also provided in terms of one of the Group's leased buildings.

The CFO also advised the ESFA were reviewing the financial health metric.

A brief summary of the autumn budget was shared.

DCG's submission for the £1.6 T Level capital funding works was discussed and members recalled this was submitted on the basis of 0% match funding from DCG.

The ESFA had approved the bid, but based on a financial

CFO 22/03/22

Chair 13/12/21

assessment they had carried out they thought the Group could afford to match fund at an intervention rate of 25% - which equates to £400K.

Committee members discussed at length and the CFO said it was clear the Group's financial health performance could not be affected and affordability had been reviewed.

Andrew Cochrane asked if there was any room for negotiation, but this was unlikely.

RECOMMEND: On the basis of the discussions and the information presented, the Committee agreed to recommend to the Corporation to approve.

Due to the tight timescales for the preliminary work, the Chair agreed as a Chairs Action ahead of Corporation.

Management Accounts

Overall, the management accounts showed the Group was on track to achieve the budget for the EBITDA.

AEB was down, but this had been offset by non-pay variance on sub-contracting.

Andrew Cochrane said it would be useful for Governors to know as soon as a decision had been made regarding AEB and the implications of this.

Chair 13/12/21

CFO ASAP

14/21-22 PEOPLE REPORT

The Executive Director of HR provided an outline of HR Strategy, sharing the vision of leaders and managers being exceptional role models and the strategy helping to drive seismic cultural change in FE.

The HR strategy was designed to support the achievement of the corporate aims by attracting, retaining and growing people.

The Executive Director shared the core objectives and the proposal of how HR planned to work towards this.

Attracting people to work at the College was a challenge, as they were not in a position to offer more money but can offer a supportive workplace with inclusivity.

Andrew Cochrane asked how the Executive HR Director would describe the recruitment issues. The College had 40 vacancies and it was nothing that had been experienced before. The common theme was people agreeing to attend interviews or accepting jobs and then not turning up.

Andrew asked if it was a particular area. It was mainly in direct teaching delivery – areas such as construction, motor vehicle and engineering, but was also happening across administrative roles as well.

He went onto question the impact on service delivery. A number of areas were strained, but were still able to function at the moment.

Members questioned to what extent consideration had been given to pay as a lever to attract to the popular areas. Increments had been given to teaching posts where there was a struggle to attract people, but they had to be mindful of equity issues.

The team had started modelling some key roles but had to include the impact of the national minimum wage and the national living wage which eroded the differentials. There is no gap now whether there would have been in the past. The Director was working closely with the CFO.

Members were also highlighted of strike action taking place in southern colleges.

15/21-22 PROPERTY AND ESTATES MANAGEMENT REPORT

The Director of Estates summarised the progress of the Salix project and covered the tendering exercise for the SDF project which allowed the opportunity to combine the contractor with the T Levels project.

The detail had already been covered in the Finance agenda item.

Recommend: The Committee recommended the appointment of Davlyn Construction to combine with the SDF and T Levels Project.

Chair 13/12/21

16/21-22 IT AND DIGITAL REPORT

The Director of IT presented his report.

Since the last meeting, the new Derby College website had been launched, which was fully accessible and had better integration of EMSI and career information.

DCG were working in partnership with Fujitsu on the Data Driven Transformation Strategy objectives to co-design education 4.0 initiatives to support and facilitate industry 4.0 agenda and skills gaps, providing innovative ways to make more informed decisions.

Work was already underway on a phishing simulation to support cyber security training.

The meeting finished at 2.40 pm

Signed: _____ Date: _____