



**MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 4 DECEMBER 2024 AT 11.3 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 4 DECEMBER AT 11.30 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, Claire Love, Rose Matthews (Clerk)

	Action	Date
<b>07/24-25 APOLOGIES FOR ABSENCE</b>  There were no apologies from Members.		
<b>08/24-25 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM</b>  All members were eligible, the meeting was confirmed to be quorate and there were no new declarations.  The Corporation Chair declared an interest in that Flint Bishop had been consulted in relation to the HR policies, however, he had not had any direct involvement in the decision to use Flint Bishop or in the review of the policies.		
<b>09/24-25 MINUTES OF THE PREVIOUS MEETING HELD ON 9 OCTOBER 2024</b>  <b>RESOLVED: The minutes of the meeting held on 9 October 2024 were approved as a true and accurate record.</b>		
<b>10/24-25 MATTERS ARISING</b>		
03/24-25 The Terms of Reference were approved by the Corporation on 21 October 2024.		
03/24-25 Consideration of additional membership following the departure of Phil Dover to be considered by Search and Governance at its meeting on 16 December 2024.		
<b>06/24-25 FINANCE RECORD</b>  The CFO shared the Finance Record which has to be compiled and reviewed prior to submission to the ESFA.  She explained the rest of the accounts had gone through the Audit Committee to Corporation, however this record contains more of the ratios and background on financial health.		

The ratios on Appendix 5 were broad ratios and exceeded most of the benchmarks for last year, with the exception of the operating ratio.

The CFO explained she had remodelled the operating ratio to strip out the restricted cash. Without capital monies, this will lead to a good financial health position. From going concern it still means a positive outcome if not sat on restricted cash.

It showed the outstanding rating was a temporary false indicator and cash days a ridiculous number and even when stripped out was still high. The EBITDA and financial health score contributed to that position.

Other interesting points to note were dependency on income across core funding streams. There is no guidance on income streams available and due to Covid most colleges are high on these. Sixth form colleges are higher as they do little outside of the core.

**The Chair asked if the College were not at the risky end.** The CFO responded that it was a good spread which was healthy, but around government funding rather than commercial.

It was also pointed out this was the first time staffing had dipped below 70%. **Members discussed the comparisons with schools and noted it was often much higher, particularly in Scotland.**

**The Chair asked what the adjusted current ratio included.** The CFO confirmed it included capital grants, pension and holiday pay. She said the College had always used the adjusted figure for measures.

**The Corporation Chair asked how the actuary changes to the pension were impacting the College.** The CFO said the in terms of the evaluation, the College still had a pension surplus overall and it was included in the balance sheet to declare as a net zero liability.

**The Corporation Chair asked if it was a risk for the College the way it could move around out of the College's control.** The CFO acknowledged that but said the new guarantee should help. When the College moved with Managing Public Money into the public sector, there was a push to treat colleges like any other public sector institution and as such any pension liability would be picked up by government. As such the College should be able to negotiate a lower contribution rate.

**RESOLVED: The Finance and Resources Committee accepted the Finance Record ahead of submission to the Corporation and then the ESFA.**

Chair 19/03/25

07/24-25 **ESFA FINANCIAL HEALTH**

The Financial Health Score from the CFFR had come back and it agreed with what had been presented in terms of the submission for last year.

The College now have the forecast and budget for this year, which means it is out of date by the time they do their assessment.

The governance financial dashboard was presented which maps year on year.

**The Chair queried why the document presented indicated a 230 score and it was now 250. He noted in the past these were wildly out of sync, but now present a better picture of what has happened.**

**The Chair said the College continued to model against the current financial ratios and financial health scores, but that it had to consider the proposed system. He asked what the likelihood of the changes coming into force.** Nothing further had been heard recently. The CFO said cash and borrowing was keeping the College high. **The Chair asked what would trigger a worsening position under the proposed system.**

The CFO explained stripping out of gearing the other measures would jump up and it would have a bigger impact under the proposed system. It would still be good though in terms of last year's outturn.

**RESOLVED: The Committee discussed and noted the ESFA Financial Health Letter and the ESFA Governors Dashboard.**

08/24-25 **FINANCE REPORT – MANAGEMENT ACCOUNTS, INCLUDING**

- **MANAGEMENT ACCOUNTS**
- **ACADEMY REPORT (INC PAY ANALYSIS)**
- **CAPITAL REPORT**

The CFO shared the financial performance to period 3, which included financial KPIs and targets, including a summary of the 2024-25 budget assumptions and 2024-25 capital report to period 3.

The EBITDA to date is £1.1m and showed £1.2m ahead of budget. Attention was drawn to the key variances. The College were ahead of AEB delivery with a large chunk front loaded by DCG's partners – this will balance out across the year.

The College were ahead on apprenticeship income and have onboarded students in a timely fashion with targets for the first quarter looking healthy. Attention was drawn to the risks with more likely to be known around April. A contingency had been built into apprenticeship income.

Positives were shared on other key income, but enrolments were down on HE compared to budget – but again there had been a contingency built in. Some areas had been allowed to set some challenging targets with a central contingency available.

Other points of note were shared in relation to the Johnson sub-lease.

Expenditure and pay were discussed and it was confirmed the salary scale increments and cost of living pay award had gone through following acceptance by the Unions for all staff including SPH and the non-consolidated award would be included in the December 2024 salaries for all staff, including SPHs.

The NI uplift for all was now going to be covered by the government who have given a commitment to cover the additional costs.

**The Chair queried the Table in 1.2 against the table in 1.3.2 and said he couldn't get these to add up.** The CFO confirmed the pay table took into account pay to date and the other table was year to date.

It was agreed to take offline with the Chair and agree future presentation.

CFO/  
FD

19/03/25

Some costs had been built in that had not been incurred around delivering for the Innovation Fund and provision for college systems. Additional costs had been built in for Stephenson building, although the IoT is up and running the costs on that will be expanded once Motor Vehicle concludes.

**The chair asked when the energy contract expired.** It was confirmed this was October 2026. **The Chair suggested it was worth acknowledging what was on the market nearer the time.**

In terms of the balance sheet, large projects were concluding and the capital spend for the IoT was being finalised and will then get released. The Chatsworth project is commencing and ongoing and the only one with a medium to high risk around the time of spend is the Transformation Grant. The details of which were discussed.

**The Chair picked up the report referenced Education Specific EBITDA and questioned if this was different to normal EBITDA.** The CFO confirmed it was the same, the true title was Education Specific EBITDA but it was abbreviated for many reports.

There was no issue or concern around the covenants and the brought forward position was positive and it will continue to be monitored as the year progresses.

**RESOLVED: The Committee accepted the Management Accounts and its appendices and these would be shared at Corporation on 16 December 2024.**

Chair 16/12/24

09/24-25 **EMPLOYEE MENTAL HEALTH AND WELLBEING STRATEGY**

The DCEO presented the Employee Mental Health and Wellbeing Strategy in the absence of the HR Director.

The College had signed up to the AoC Mental Health Charter, which was formalising what had already been taking place with regards to mental health. The College was already active with students and employees and this provided the structure.

It follows the AoC guidelines on what a strategy might look like.

**The Corporation Chair asked if there was anything unique about the College compared to the sector.** It was explained the same pressures applied to the College's employees not just in the sector but wider.

The College did have opportunities of support services to signpost staff to.

**The Chair asked if the College had mental health first aiders.** It was confirmed the College had these for both young people and staff. The College had trained internally and some roles had this embedded as part of their job descriptions. It was mandatory for some student facing roles.

**RESOLVED: The Finance and Resources Committee accepted the report recommended to the Corporation for approval at its meeting on 16 December 2024.**

Chair 16/12/24

10/24-25 **HR POLICY REVIEWS:**

- **FLEXIBLE WORKING POLICY**
- **GRIEVANCE POLICY**

The Committee reviewed the updated Flexible Working Policy and Grievance Policy and key changes were discussed.

**The Corporation Chair questioned Point 5 in the summary of the Flexible Working Policy which indicated employee working arrangements had been removed.**

It was clarified that employees used to attend the panel and pitch how their job would be covered. It is now in the Policy that SLT would make that decision.

**RESOLVED: The Committee accepted the policy changes and recommended these be approved by the Corporation at its meeting on 16 December 2024.**

Chair 16/12/24

*The meeting finished at 12.15 pm*