

**Minutes of the Meeting of the Corporation's Finance and Resources Committee  
held on 3 October 2023 at 4.00pm by Virtual Attendance**

**Committee Members**

Martyn Thomas                      **Chair**  
Sharon Kirby  
Bill Meredith  
Ian Sackree

**Apologies Received**

**In Attendance**

Kate Calvert	Deputy Principal HR and Organisational Services	(DPHROS)
Stephen Kelly	Chief Financial Officer	(CFO)
Kirsti Lord	Deputy Chief Executive and Deputy Principal	(DPCEO)
Sallyanne Pearson	Director of Governance	(DG)

23.1	<b>Apologies for Absence</b>																								
	No apologies for absence were noted. All Members were present.																								
23.2	<b>Declarations of Interest</b>																								
	To <b>consider</b> and <b>declare</b> , as required, amendments to the Register of Interest																								
	It was noted that the 2023 to 2024 Declarations of Interests were being collated and the Register of Interest updated. It was requested that any declarations be noted, as appropriate and where relevant, as part of the evening’s business.																								
	To <b>note</b> any agenda items in which Committee Members have declared an interest																								
	Ian Sackree referred to the Annual Procurement Report detailing Protocol as a supplier and noted a previously declared interest in the business. It was explained that the expenditure detailed would have taken place whilst he was Chief Executive of the business but he no longer occupied this role at Protocol and the interest had ceased.																								
23.3	<b>Minutes of Previous Meeting</b>				<b>Corp</b>																				
	All Minutes noted were included as part of the Agenda Pack.																								
	To <b>receive</b> and <b>approve</b> the Minutes of the Meeting held on 11 July 2023																								
	Non-Confidential and Confidential																								
	The Minutes were approved as a true and accurate record and are to be signed by the Chair.																								
	Restricted Confidential																								
	The Minutes were approved as a true and accurate record and are to be signed by the Chair. No discussion or reference to the content of the Minutes was undertaken except to note their accuracy.																								
23.4	<b>To note the Action Summary</b>																								
	Reference was made to the Action Summary dated 3 October 2023. Actions were updated and <b>RESOLVED</b> as follows:																								
	<table><tr><th>Min Ref</th><th>Title</th><th>Action Point</th><th>Person/s Responsible</th><th>Action Taken</th></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5">13 December 2022</td></tr><tr><td>22.16(iv)</td><td>Equality and Diversity: Achievement of pupils with a declared characteristic</td><td>Reporting to be provided which provides comparative overview of achievement by learner</td><td>DPCEO</td><td>Remove as action. See update below</td></tr></table>				Min Ref	Title	Action Point	Person/s Responsible	Action Taken						13 December 2022					22.16(iv)	Equality and Diversity: Achievement of pupils with a declared characteristic	Reporting to be provided which provides comparative overview of achievement by learner	DPCEO	Remove as action. See update below	
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		with, and without, a declared characteristic.		
<b>28 March 2023</b>				
<i>Part of this item was taken as confidential</i>				
<b>31 May 2023</b>				
<b>22.21 (CA)</b>	<b>Position Statement Budget 2023/24</b>	DPCEO to explore how other colleges are financially modelling Sports Academies and their use of sponsorships	DPCEO	Ongoing
<b>11 July 2023</b>				
<b>22.41(b) (CM)</b>	<b>Financial Management Reports – College Loan Covenants</b>	CFO to disseminate the legal advice received by the College concerning the likelihood of breaching the bank covenants.	CFO	On Agenda
<b>22.41(b)</b>	<b>Financial Management Reports - Cashflow</b>	CFO to review the Investment Policy and bring back proposals to the next Finance and Resource Committee Meeting	CFO	On Agenda
<b>22.43</b>	<b>HR Strategy</b>	DG to add Monitoring of the People Strategy to each Corporation meeting.	CFO	See Update
<p><b>Action 22.16(iv):</b> the DPCEO explained that student data would be included as part of the Further Education Self-Assessment Report (<b>SAR</b>) which would be scrutinised by the Curriculum and Quality Enhancement Committee (<b>C&amp;QE Committee</b>). The DPHROS added that the information relating to staff members, would be provided to the Finance and Resource Committee (<b>F&amp;R Committee</b>). It was agreed that the DPCEO and the DPHROS would liaise outside of the meeting to ensure that the correct information was reported to the correct committee.</p> <p><b>Action 22.43:</b> the DG is to pick this up with the Principal outside of the Meeting.</p>				
<b>23.5</b>	<b>Finance</b>			
(a)	Financial Management Reports			
(i)	<p>To <b>receive</b> and <b>note</b> a financial update from the CFO (to date) (Verbal)</p> <p>The CFO explained that Management Accounts are not provided for August. The September Management Accounts are to be provided to the Corporation Meeting on 17 October 2023. It was confirmed that there was nothing material, over and above items to be raised as part of the evening's business, which required reporting</p>			
(ii)	<p>To <b>receive</b> an update and <b>recommend</b> to Corporation any revised Budget Position Summary including update to the Executive's Recommendation on Pay Awards and strategic proposals in light of changes to funding</p> <p>Reference was made to the "Revised Budget and Forecast" Paper provided as part of the Agenda Pack.</p>			
				<b>CFO / Corp</b>

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The CFO referred to the reporting and discussion undertaken at the Corporation Meeting on 26 September 2023. It was summarised that the College had received an increase in Further Education (FE) funding of £1.4m since the Corporation approved the 2023/24 financial budget and the 2024/25 financial forecast which was included as part of the College Financial Forecasting Return (CFFR) to the ESFA.

The CFO provided an update to the Committee noting that recruitment to the Higher Education (HE) provision of the College had increased but remained in an adverse position by £250k against the forecast included as part of the CFFR. The CFO confirmed, taking into account the £1.4m increase in FE funding allocation and the reduced recruitment to HE, the 2023 to 2024 outturn continued to forecast a £600k deficit without taking into account any further expenditure/assumptions.

Looking forward to the 2024 to 2025 period, the CFO confirmed a positive forecasted swing to a surplus position of £785k: up from a projected £210k deficit position. It was again noted that this did not incorporate any other variables/considerations including the financial impact of the lagged funding from the 2023 to 2024 under-recruitment to FE. It was suggested, based on financial modelling undertaken, that a drop of circa £300k in the FE funding allocation was anticipated. It was clarified that the forecast did not take into account any additional pay award.

**The Committee referred to the increased recruitment in HE - noting this presented a positive £100k swing from the forecast provided to the September Corporation Meeting.** The CFO confirmed this was correct.

**The Committee noted that College's financial position had been swung, positively, by circa £1m since the Corporation approved its 2023/24 financial budget and the 2024/25 financial forecast in July. The Committee enquired whether the CFO anticipated a drop, which was equal to this amount, in its income/funding by the end of the 2024/2025 period.** The CFO noted that financial modelling continued which took into account the number of students recruited to land based and general further education programmes (owing to the financial impact from the course weightings). It was noted that a reduction of circa £600k in funding/income was anticipated resulting in a deficit position of circa £300k for the 2024 to 2025 period. The CFO noted that any financial modelling remained based on 2023 and 2024 forecasting and assumptions and could not be updated, in full, until the New Year when a further update would be provided.

**The Committee referred to the financial modelling for the 2024 to 2025 period and challenged whether this took into account an assumed percentage increase in the FE funding allocation** The DPCEO acknowledged the anticipation that the FE funding would benefit from a % increase but confirmed it was not prudent to include it in forecasting until confirmed.

The CFO put forward that no uplift to the staff budget expenditure had been included as part of the 2023/24 financial budget and the 2024/25 financial forecast approved by the Corporation at its Meeting in July and explained that any further pay award would need to be modelled from savings made.

**The Committee referred to its land-based specialism and the higher funding weighting for such courses; noting a drop in recruitment to these areas. The Committee challenged that this needed to be a focus.** The DPCEO acknowledged the point noting that Agriculture, Animal Management and Equine programmes needed to be developed to formulate their own USPs which were bespoke to the College and its context. It was explained that developing these and targeting marketing at them accordingly should increase recruitment and bolster the College's residential uptake which had also been impacted by drop in recruitment to these areas.

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	<i>Part of this item was taken as confidential</i>	
<b>23.6</b>	<b>Student Association Accounts</b>	
	To consider and recommend to Corporation the Student Association Accounts for 2022 to 2023 and approval of Grant	
	Reference was made to the "Student Association Accounts 2022 to 2023" paper included as part of the Agenda Pack. The paper was taken as read. The Committee noted an ongoing commitment to support the Association through its allocation of a grant although it was noted that it was financially viable and stable without it. The Committee <b>RESOLVED</b> to <b>RECOMMEND</b> to the Corporation the <b>APPROVAL</b> of the £1,000 grant to the Student Association and noted <b>RECEIPT</b> of the Student Association Accounts.	<b>Corp</b>
<b>23.7</b>	<b>Estates</b>	
	To consider and advise the Corporation on the Estates Strategy	
	Reference was made to the "Estates Strategy Update" provided as part of the Agenda Pack. The CFO explained that the report provided was based on the Estate Strategy approved at the Corporation Meeting held in July.	
	<b>T Level Project – Animal Unit Extension</b>	
	The CFO updated the Committee noting the specification had been amended following discussion and consultation with members of staff. The draft plans are being revised which will be submitted for planning approval and, if successful, go out to tender. The timeframe to completion was noted as "very challenging" with works having slipped behind against a required completion date of September 2024. <b>The Committee noted the challenging timescale from the outset; commenting and challenging that delays had already been experienced and whether the deadline was achievable and viable.</b> The CFO confirmed the project would move ahead on the basis and expectation of completion by September 2024. <b>The Committee noted the works were proposed to start in January, complete by end August and be ready for use at the start of term(s) in September 2024. It was challenged that the extension work was likely to be a "selling point" for the 2024 to 2025 recruitment and there needed to be a level of surety that the facilities would be complete especially if they were to be used from the outset and marketed accordingly.</b> The CFO noted the commencement of the project in the winter did pose challenges but explained that the project was relatively small scale and no significant issues were envisaged which would delay it. Disruption to both animals and staff had also been considered and a "strong team" were noted as working on mitigating this. Commencing works in January was noted as critical to bring the works to completion on time. <b>Reference was made to a question from the Committee, raised in advance of the meeting (tabled item 1), relating to the cost of the development. It was challenged that on a per square meter basis – this appeared to be high. The Committee sought surety that the works proposed were good value for money especially in light of the high contribution rate from the College.</b> The CFO confirmed it had been raised and were assured that contingencies had been built in to the costings. The CFO confirmed a second opinion had been sought who echoed the cost was high but also identified that the specification was very detailed and did build in that contingency element. A discussion was undertaken whereby it was	

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	noted that the size/footprint of the extension could not be amended but some alterations to the specification may be possible depending on whether the project was running to cost or below once it had been tendered for.	
	Pig Industry Training Centre	
	<b>The Committee noted their understanding that the aged buildings adjacent to the new Pig Industry Training Centre would be demolished.</b> The CFO noted an awareness of the request; noting such works would not take place in advance of the opening of the Centre. A conversation around whether the expenditure to undertake this work had been approved and accounted for in the financial forecasting was undertaken.	
	Additional FE Capital Funding 2022/23	
	The CFO reported that the funding had been received in 2022 to 2023 period and was included in the financial forecasting to be spent in 2023 to 2024. It was confirmed that the money had not been assigned to any specific project but needed to be spent on improving and upgrading the college estate.	
<b>23.8</b>	<b>Procurement Report</b>	
	To receive and consider the Annual Procurement Report for 2022 to 2023	
	Reference was made to the Annual Procurement Report included as part of the Agenda Pack	
	Taken as read. The CFO invited questions.	
	<b>The Committee made reference to a six-figure capital purchase expenditure undertaken with only one tender having been received (noted in Section 5: Listed of Supplier Spend over £3k).</b> The Principal confirmed this related to specialist equipment which the College had been trialling and which was only accessible from a limited number of distribution sources in the UK. It was reported that the decision had been taken to purchase the item trialled.	
<b>23.9</b>	<b>Human Resources and Organisational Services</b>	
(a)	To review and advise the Corporation on the:	
(i)	People Strategy	
	Reference was made to the "People Strategy 2023 – 25: Implementation Plan September to December 2023" included as part of the Agenda Pack.	
	The DPHROS reported that works had started and an update would be provided at the next Committee Meeting or Corporation Meeting.	
	<b>The Committee referred to the number of implementation dates for the Autumn Term and challenged whether this was realistic and achievable. The DPHROS confirmed it was with many strategies already underway.</b>	
	The DPHROS reported that the reward and recognition strategy, which included the scarce skills incentive and the restructuring of pay scales, were a priority focus.	
(ii)	Annual Staff Report for the period for 2022 to 2023	
	The DPHROS provided a summary overview of the Report. Key points were highlighted over and above the reporting provided included:	
	<ul style="list-style-type: none"> <li>• more part time working has gradually been introduced to help improve recruitment;</li> <li>• the largest proportion of staff were noted to be aged between 50 and 59; this has been noted with a focus towards ensuring succession plans are in place;</li> <li>• it was noted that the proportion of staff declaring a disability was under the FE sector benchmark. The DPHROS noted that it was likely that a significant number of staff were not reporting a disability and the reasons and rationale why needed to be explored;</li> </ul>	

**F&R /  
Corp**



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	<ul style="list-style-type: none"> <li>turnover and retention have improved but remains above the College's 15% target;</li> <li>a working group around staff communications has been developed with feedback being provided to managers over the next few weeks;</li> <li>a new HR Induction Session initiative has been introduced with a view to improving the retention of staff within their first year - the impact of which is being measured.</li> </ul> <p><b>The Committee observed the proportion of staff turnover especially within the first year of employment; hypothesising why this was and noting both the financial and reputational implications. A discussion around remuneration and terms of employment were undertaken with the difficulties within the labour market noted; it was reflected however that for those posts which were recruited to - remuneration must not have been the sole driver for them leaving the post within one year.</b></p> <p><b>The Committee also reflected on the diversity of the workforce noting both the low proportion of ethnic minority groups and those declaring a disability. A discussion was undertaken and it was agreed that the Executive would explore the "Investors in Diversity" initiative.</b></p> <ul style="list-style-type: none"> <li>reference was made to the Gender Pay Gap and Proportion of Women in each pay Quarter and a discussion and reflection was undertaken on the diverging pay gap. The Executive provided an explanatory narrative including that the higher percentage of females in the lower quartiles was likely to be influenced by the part time / flexible working patterns associated these roles.</li> </ul> <p>Discussion was also opened by the Executive who noted that they were also seeking to recruit from heavily male dominated specialisms and in order to attract candidates through the "Scarce Skills Initiative" this was likely to adversely impact on this reporting further. It was noted that although there was a divergence there was rationale and explanation for this.</p>	
(iii)	<p><b>Annual Health and Safety Report for 2022 to 2023</b></p> <p>Reference was made to the Bishop Burton &amp; Riseholme Annual Health and Safety Report 2022/23</p> <p>The Report was taken as read. It was noted that the Health and Safety was managed through reporting to the Health and Safety Executive with meetings undertaken on a six-week basis and chaired by the Principal.</p> <p>The engagement with and established positive safety culture of the College was noted as was its commendation as part of the recent OFSTED Inspection.</p> <p>It was noted that the current Health and Safety Advisor had resigned from post but that the objectives would be carried forward by the new appointment.</p> <p><b>The Committee commended the works of the Health and Safety Advisor noting the scale and scope of the operations of the College.</b></p>	
(iv)	<p><b>Termly Staffing Update</b></p> <p>Carried forward</p>	<b>F&amp;R</b>
<b>23.10</b>	<b>Policies</b>	
(a)	To review and advise the Corporation on the following policies	
(i)	<p>All of the following policies were made available as part of the Agenda Pack.</p> <p><b>Procurement Policy (2.11)</b></p> <p>The CFO explained that the policy had been considered and reviewed in response and to reflect, inter alia, the ONS reclassification, and advancements in and</p>	

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	<p>application of technology. The CFO reported that no guidance had been released regarding procurement, as a consequence of the reclassification, noting the College would continue to operate as it was and amend and update the policy as required. It was reported that the policy had not been provided to the Strategic Leadership Team for their consideration in advance of it being provided to the Committee. The CFO drew the Committee's attention to the inclusion of the "Aims" noting in particular paragraphs 1.1 and 1.2 of the Policy.</p> <p><b>The Committee noted the aims and queried whether these had been reviewed by the Auditors.</b> The CFO noted that the policy would be provided to the Audit Committee the following week; noting if the Committee had any comment this would be provided to the Corporation as well.</p> <p>The Committee <b>RECOMMENDED</b> the Policy to the Corporation</p>	<b>Corp</b>
(ii)	<p>Treasury Management Policy (2.18)</p> <p>The CFO reported that the policy had been considered and reviewed in response and to reflect, inter alia, the ONS reclassification and the requirement of Managing Public Money.</p> <p>It was reported that the policy had not been provided to the Strategic Leadership Team for their consideration in advance of it being provided to the Committee. The Committee's attention was drawn, in particular, to Appendix A – Investment Limits. The CFO reported that the College was technically in breach of one its deposit limits; noting that the Lloyds Bank plc deposit limit of £5m had exceeded with circa £5.5m being held in that account. The CFO opened a discussion with the Committee as to whether this limit should be increased given that the monies being held over and above the limit threshold was only a temporary position. A discussion was undertaken and a number of options were discussed including the opening of additional accounts and whether a better return on interest would be secured.</p> <p>The Committee <b>RESOLVED to RECOMMEND</b> to Corporation the deposit limit at Lloyds Bank Plc from £5m to £5.5m noting this could be reduced back down as necessary. The Treasury Management Policy is to be amended accordingly.</p>	<b>Corp</b>
(iii)	<p>Tuition Fee Policy</p> <p>It was confirmed that the policy had been considered and reviewed by the Strategic Leadership Team.</p> <p>The Committee considered and <b>RECOMMENDED</b> the Tuition Fee Policy.</p>	<b>Corp</b>
<b>23.11</b>	<b>Any other Urgent Items</b>	
	Items to be considered under any other urgent business	
(a)	Financial Modelling re Covenants	
	<i>This item was taken as confidential</i>	

The Meeting closed at: 2:46pm

Chair \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_