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**Minutes from the meeting of the Finance and Resources Committee**

**on the 4th of July 2023**

| **Present:**  D Butcher (DBu) Chair  D Bird (DBi)  W Rowan (WR)  P Whittle (PW)  **Apologies:**  G Jeffrey (GJ)  J Beaumont (JB) Vice Chair | **In Attendance:**  D Carter (DC) - Clerk  L Swift (LS) - Vice Principal Finance and Planning  I Durham (ID) -Director of Physical Resources |
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|  | Meeting commenced at: 6.00pm | **Action** |
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| 1 | **Welcome, Apologies for absence, Disclosure of financial and/or personal interest**  DBu welcomed everyone to the meeting. Apologies were received from GJ and JB. There were no personal or financial interests to declare. |  |
| 2 | **To agree agenda and order of business as circulated**  Members agreed the agenda and order of business. |  |
| 3 | **To approve the minutes of the meeting held on 21 March 2023**  The minutes were approved as a true and accurate record of the meeting. |  |
| 4 | **Matters arising**  None. |  |
| 5 | **To receive a report on Capital projects and estate matters**  **Note the decision made via email regarding the contractor’s appointment for the FECTF.**  **To consider plans to renew the Infrastructure Strategy for 2024-27**.  Town’s Fund build  ID provided an update on the planning process and timeline for the Town’s Fund project. Planning submission is due to take place over the summer. The project is strongly supported by Historic England. Work is ongoing to clarify the VAT situation.  F&R will be asked to approve the signing of the contract with the contractors. The project should be completed by summer 2025.  A member asked if there was a deadline for spending the fund. ID explained the deadline is December 2025.College is planning to open the building ready for the start of the new academic year in September 2025.  FE Capital Transformation fund (FECTF)  It was noted that members had previously agreed via email to appoint the contractor (Lodestone) to meet the deadline.  An update was provided on the summer works. Work is progressing rapidly.  A member asked if there is a deadline, ID explained the programme is 6 weeks, and the work is planned for completion by mid August.    DfE capital grants; The College has received an additional £542.5k made up of 3 grants~~.~~ Plans for upgrading the estate were shared with the committee, including a net zero / decarbonaisation survey.  **Infrastructure Strategy for 2024-27**.  SMT and the Director of Physical Resources have discussed and have a very clear picture and know the direction of travel of the Estate over the next two years due to the major capital projects reported above. A two year position statement that reflects the plans rather than a new infrastructure strategy was proposed to the committee.  **Members are content to approve the approach.**  There was a discussion around the complex nature and scope of the FECTF grant works and how this should be presented in the accounts.  **Members approved the approach for reporting the fund as capital in the forecasts. LS will discuss the treatment of specific elements with the auditors.**  *ID left the meeting at 6.20pm* |  |
| 6 | **To receive a copy of the External Audit Planning Document from Mazars**  LS highlighted a number of updates in the planning document including changes within the audit team; a slight delay in the timeline for the audit to accommodate the inclusion of funding information generated by the R14 in October; confirmation of the fee agreed (page 19); and the changes that have resulted from the ONS Reclassification of Colleges. Members receive the report. |  |
| 7 | **To consider the Management Accounts for the period to April 2023:**   1. **Report to Management** 2. **Management Accounts**   LS pointed out that the March forecast figures are used for comparison as these were shared with the bank before the latest forecasts were prepared.  Members receive the update. |  |
| 8 | **Financial Forecasts** |  |
| 8a | **To consider and recommend to the Corporation the 3-year Financial Forecasts:**  **i) 3 year Financial Forecasts covering paper**  **ii) Financial Forecast Data**  **iii) Draft Commentary to CFFR**  LS explained she had not completed the CFFR or cashflows to allow input from the committee on a number of areas. A discussion took place around the forecasts and key issues flagged in the covering paper, including timing and proposals for the 23/24 pay award and the impact on the bottom line and therefore agreement of a reasonable level of deficit. The committee agreed the approach and asked for the forecasts to be updated to reflect this.  A question was asked about the Real Living Wage (Living Wage Foundation) and the cost of signing up to this (£10.90 per hour compared with £10.42 for National Living Wage - age 23+) and a discussion took place over affordability.  A member asked about the best way to increase profitability. The best way to do this is to recruit more students onto each individual course as this would increase income without increasing costs.  Members agreed that the CFFR and commentary will be circulated to the committee for approval by email later in July, therefore the Corporation will be asked for delegated approval to F&R |  |
| 8b | **To consider the 2023/24 budget recommendation to the Corporation of:**   * **income and expenditure &** * **Capital expenditure**   **Members approved the budget including the changes proposed to the forecasts which will result in a £200k deficit for the year.** |  |
| 8c | **To consider a draft Going Concern Statement for year-end accounts**  Members approved the use of the Going Concern Principle in the year end accounts. |  |
| 8d | **To consider the latest ESFA College Financial Review and Dashboard**  Members received the update. |  |
| 8e | **To receive a benchmark report on FE Sector 21/22 Finance Data**  The report benchmarked the College against the other West Yorkshire colleges. This complemented the training provided for governors in May which benchmarked the College against national colleges in a similar income bracket.  A discussion took place around the college’s specific characteristics and the impact of these on the data. Members receive the report. |  |
| 8f | **To note the Sector and Service accounts for the year to 31 July 2022 and forecast to 31 July 2023**  Sector accounts were shared with governors. It was noted that the 6 sectors will become 4 departments in 23/24 which will present challenges around how we present data to support comparisons year in year going forward.  Members note the report. |  |
| 9 | **To consider Financial Regulation Matters:** |  |
| 9a | **To undertake the annual review of the Treasury Management Policy, including cash investment**  **Members accept the proposed changes to the policy and receive the report.** |  |
| 9b | **To receive the annual report by the Principal on any significant exceptions on the use of Financial Regulation Procedures**  Members have been made aware of these. DBi explained the exceptions. Members receive the report. |  |
| 9c | **To receive the annual report on Gifts/Hospitality received by staff**  The report was received. |  |
| 9d | **To receive an update on changes to Financial Regulations & Annexes as recommended by the Audit Committee**  There are a number of changes prompted by the ONS Reclassification of Colleges which reflect the guidance from the bite size guides that have been issued to date.  The committee were asked to note other amendments, including the updated job description for the VPFP.  Members receive the update. |  |
| 9e | T**o receive a report on the College Subsidiary companies**  The Committee was reassured that subsidiaries are permitted under ONS Reclassification of Colleges and these must follow the same rules as the College.  Shipley College Developments, which has been dormant since the JSB build, will become active in 23/24 to support the Shipley Town’s Fund development.  The Committee was asked to agree the dissolution of Shipley College Service.  **Members recommend to Corporation Shipley College Services Ltd can be dissolved and closed**. |  |
| 10 | **To receive an update on WYCC**  DBi gave an update on the current status of WYCC in terms of membership, plans for the future and current projects and income. If WYCC is successful in securing LSIF funding the College will need to act as lead partner to the other colleges for one element of the funding. This will require an amend to the subcontracting policy. This was approved and the policy will be adapted and shared with the Audit Committee and then Corporation.  **Members agree the changes to the policy which will go through the Audit committee and be recommended to Corporation for approval.**  A question was asked around monies owed and timescale for payment and an update provided. |  |
| 11 | **To receive a progress report on the Risk Register related to financial risks**  Members have received the update and have discussed the items of concern earlier in the meeting.  **Action:** Members asked for the actions agreed in 8a above to be updated on the Risk Register. DBi explained this would be a verbal update at Corporation due to timing and papers already being distributed. | Principal |
| 12 | **To approve the proposed lettings charges for 2023/24**  No change.  **Members approved the proposed lettings charges for 2023/24.** |  |
| 13 | **To Consider:**  a)The Learner Financial Support Policy  b) Policy & Procedure for Hire of Shipley College Premises  **Members agreed the policies and recommended to the Corporation for approval.** |  |
| 14 | **Any Other Business:**  **SMT Healthcare**  A discussion took place around the he ONS Reclassification of Colleges following guidance on private medical insurance  2.16 In accordance with the public sector pay and terms guidance, **private medical insurance and salary sacrifice arrangements, unless approved by HM Treasury, must not be provided.**  **Update on the VPFP role**  A discussion took place around the recruitment options, processes and timescales for recruiting a new VPFP and achieved a general consensus in terms of our approach.    The decision will go to Corporation and may be delegated to Remuneration Committee to finalise the timeline and plans. |  |
| 15 | **Dates of proposed meetings to December 2023**   * Tuesday 05 December 2023 (to be confirmed at the July Corporation) |  |

Meeting closed at: 8.07pm

**Decision and Action Tracker**

| Date /Item | **Decision**/*Action* | Person responsible |
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| 040723 item 3 | **The minutes were approved as a true and accurate record of the meeting.** |  |
| 040723 item 5 | **Members approved the approach of a two year position statement as an Infrastructure Strategy for 2024 and 2025.** |  |
| 040723 item 8a | **Members agreed that the CFFR and commentary will be circulated to the committee for approval by email later in July, therefore the Corporation will be asked for delegated approval to F&R .** |  |
| 040723 item 8b | **Members agreed the £200k deficit budget and recommended to Corporation following discussions.** |  |
| 040723  Item 8c | **Members approved the use of the Going Concern Principle in the year end accounts.** |  |
| 040723 item 9a | **Members accepted the proposed changes to the policy and received the report.** |  |
| 040723 item 9e | **Members recommended to the Corporation Shipley College Services Ltd be dissolved and closed**. |  |
| 040723 item 10 | **Members agreed the changes to the Subcontracting policy, which will go through Audit, and be recommended to the Corporation.** |  |
| 040723 item 11 | *Members asked for the actions agreed in section 8 to be updated in the Risk Register. DBi explained this would be a verbal update at Corporation due to timing and papers already being distributed*. | DBi |
| 040723 item 12 | **Members approved the proposed lettings charges for 2023/24.** |  |
| 040723 item 13 | **Members approved the below policies and recommended them to the Corporation**  a)The Learner Financial Support Policy  b) Policy & Procedure for Hire of Shipley College Premises |  |