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

**on the 6th December 2023**

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| **Present:**D Butcher (DBu) - Chair D Bird (DBi) P Whittle (PW)**Apologies:**G Jeffrey (GJ) J Beaumont (JB) W Rowan (WR)  | **In Attendance:** D Carter (DC) - ClerkL Swift (LS) - Vice Principal Finance and PlanningI Durham (ID) -Director of Physical ResourcesJ Flaherty (JF) Observing |

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|  | Meeting started: 6.03pm | Action |
| 1 | **Welcome, Apologies for absence, Disclosure of financial and/or personal interest**DBu welcomed everyone to the meeting. Apologies were received from WR, JB and GJ. There were no financial or personal disclosures.  |  |
| 2 | **To agree agenda and order of business as circulated** Agreed |  |
| 3 | **To appoint:****a) a Chair of the Committee -** DBu was approved as chair of the committee**b) a Vice Chair of the Committee -** JB advised she is still content to stand in her absence. JB was approved as Vice Chair of the committee. |  |
| 4 | **To approve the minutes of the meeting held on 4 July 2023**The minutes were approved as a true and accurate record of the meeting.  |  |
| 5 | **Matters arising** 1. **additional change to Financial Regulations**

LS explained the amendment. Members approve the change. |  |
| 6 | **Ofsted Action Plan Update**Financial implications were discussed, there will be a budget set aside to support actions following the inspection. DBi explained the rationale and the areas the budget would be used. |  |
| 7 | **To receive a copy of the letter from the ESFA regarding the outcome of their review of the financial plan and consider the related Financial Dashboard** Members receive the letter.ESFA Financial dashboard has not been updated so cannot be shared at this meeting.  |  |
| 8 | **Update on Capital and Infrastructure Statement for 2024-27**ID highlighted the significant changes to estate from 2018 to 2023.Phase one of the FECTF project has been completed, and is moving into phase two, currently in the detailed planning stage. Phase two covers Salts Building and Mill building and will run over the non term time periods next year, with a small amount of isolated term time work. The Towns Fund project aim is a new building on Caroline Street car park and adjacent land. Details have been shared previously. A discussion took place around the planning, costings, the size of the building and the Planning committee meeting in January. A member asked about costs and current inflation, ID states the tender package is being put together now so costs will be clearer after the tender. The exterior of the building has to fit the World Heritage Site.A discussion took place around the detail of the Grant Funding Agreement. Members discussed costs and affordability and scope for value engineering.Other additional grants were discussed and where this was due to be spent. There are caveats to the grants. Future opportunities were discussed including decarbonisation and net zero. *ID left the meeting at 6.36pm*  |  |
| 9 | **To consider the Management Accounts for the period to October 2023**1. **Report to Management**
2. **Management Accounts**

LS explained the accounts are showing as expected. LS explained the income savings target. |  |
| 10 | **To receive the 3 year Financial Forecast update**1. **Commentary to Forecast**
2. **Superceded by c**
3. **Forecasts including cash flow**

The budget for 2023/24 was made on a modest increase in 16-18 student numbers, actual numbers are much higher which has increased forecast income in 2024/25. A member enquired about the significant increase in student numbers, DBi explained the grade boundaries changed this year, meaning more students needed to resit Maths and/or English. Currently at 29% more L1 students and 23% more L3 students. This is reflected in most colleges.A question was asked on if this bulge will continue next year, DBi explained this is likely based on the progress of current students enrolled but it is expected to drop the year after as the assumption in grade boundaries will level out and there is also a drop in birth rate. A discussion took place around the forecast assumption on staff pay. ***Action:*** Members requested different scenarios and any case studies to be included in the Corporation papers for discussion.LS explained the staffing changes relating to Bradford Works. Cash flow is still very good. We are Going Concern and we have sufficient funds. An in depth discussion took place following a question from a member on the college's plan to get back to a surplus, capacity and growth was also discussed.  | LS |
| 11 | **To consider in more detail the Sensitivity Analysis of the financial forecasts**LS explained the key points, the amber section of the report and rationale of the analysis.Members receive the report.  |  |
| 12 | **To consider an update of the College’s assessment of use of the ‘Going Concern’ principle**LS highlighted changes since July - paragraphs updated in blue. The changes were discussed. Members agree to the adoption of the Going Concern principle in the Financial Statements.  |  |
| 13 | **To consider the Audit Completion Report from External Auditors**LS explained there is a deadline of 31st December to get accounts to ESFA, LS has requested a one month delay in signing if needed depending upon when the College receives the Funding audit management letter.A member asked a question on the process if the letter comes before the deadline. LS explained the potential scenarios and explained that is why the extension has been secured.Members receive the report. |  |
| 14 | **To consider the draft College Financial Statements and the Balance sheet following Audit Committee’s review and recommendation of the other reports within these statements** LS explained the Audit committee has agreed to the first section of the statement to be signed. Points of discussion were shared from the audit committee on wording in the document, members agreed to the updates. The committee congratulated LS on her accurate forecasting.Members recommend to the Corporation the signing of the balance sheet.  |  |
| 15 | **To consider the reconciliation of forecasted and actual outturn for previous financial year**Members receive the report. |  |
| 16 | **To consider Shipley College Developments end of year accounts** Members recommend the signing of the Shipley College Development accounts to the Corporation.  |  |
| 17 | **Initial considerations of cost of potential pays increases for Staff other than Senior Post Holders**Deferred to the Corporation meeting on the 12th of December. Members requested reports to include options discussed in item 10. |  |
| 18 | **To receive a progress report on the Risk Register related to financial risks**Key areas were discussed:Section 1, Governors are aware as these have been discussed previously. 2g. WYCC will be discussed in item 20.5b. College is going through cyber essentials annual re accreditation this month. 8c. Due to changes in national and local policy, the biggest challenge is the defunding of qualifications.A discussion around this took place including the announcement of Advanced British Standard being introduced and the T Level course being promoted as a three year course with a foundation year to support students who may not be ready to go straight on the two year course.  |  |
| 19 | **To receive the Sector and Service accounts for the year to 31 July 2023** LS reported this is based on actual earned income not lagged. Key points such as the pay increase and key changes to sector income were discussed.The report will change going forward due to the move from sectors, to departments. Members receive the report. |  |
| 20 | **To receive an update on the West Yorkshire Consortium of Colleges Finances**Current position was discussed including the recent completion of the collaborative apprenticeship project. There are no current projects but there is an upcoming project where the college was successful in securing funding from the LSIF, which links to the LSIP to lead on the Medtech section of a project run by Calderdale College. Members discussed the financial side of the projects and the process of the fund and monies being paid. |  |
| 21 | **To receive the details of the main changes to the Funding Agreements**Detail is included in the report. Key changes to the WYCA contract and delivery implications were highlighted. Members receive the report. |  |
| 22 | **To receive a report on the Student Union Income & Expenditure to the 31 July 2023**Members receive the report. |  |
| 23 | **To consider the outcome from the 2022/23 F&R Committee Performance Review Questionnaire**Key comments were around membership which has been discussed previously. A member noted how helpful the annual updates were at Governor training sessions. Members receive the report.  |  |
| 24 | **To review the Terms of Reference of the Committee** Members agreed to the changes to the Terms of Reference and recommended the document to the Corporation. |  |
| 25 | **Any Other Business**The committee noted their thanks to LS for her 24 years of service to the college and her hard work in ensuring the committee is always kept informed. |  |
|  | **Dates of meetings to December 2024*** Tuesday 12 March 2024

PW noted apologies for this meeting.* Tuesday 2 July 2024
* Wednesday 4 December 2024
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Meeting closed 7.48pm

**Decision and Action Tracker**

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| Date /Item | **Decision**/*Action* | Person responsible  |
| 061223 item 3 | **DBu was approved as Chair of the committee****JB was approved as Vice Chair of the committee.** |  |
| 061223 item 4 | **The minutes were approved as a true and accurate record of the meeting.**  |  |
| 061223 item 5 | **Members approve the additional change to Financial Regulations** |  |
| 061223 item 10 | *Members requested different scenarios and any case studies to be included in the Corporation papers for the staff pay discussion.* | LS |
| 061223 item 12 | **Members agree to the adoption of the Going Concern principle in the Financial Statements.**  |  |
| 061223 item 14 | **Members recommend to the Corporation the signing of the balance sheet of the College Financial Statement.** |  |
| 061223 item 16 | **Members recommend the signing of the Shipley College Development accounts to the Corporation.**  |  |
| 061223 item 24 | **Members agreed to the changes to the Terms of Reference and recommended the document to the Corporation.** |  |