

MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON MONDAY 24 JUNE 2024

Present

Angela Briggs	Governor
Peter Grant	Governor
Karen Jackson	Governor (Chair)
Emma Kirk	Staff Governor (joined at 5.45pm)
John Rees	Governor

The quorum for the meeting was 40% of membership to include at least 3 external members. The meeting was quorate.

In attendance

Sharon Harmon	Clerk to the Corporation
Rachel Maguire	Chief Operating Officer, People & Information
Trisha Birch	Director of Finance
Daniel Wilson	Vice Principal, Business Growth, Skills & Partnerships (for Items 5&6)
Les Kirk	Director of Estates (for Item 3)
David Wright	External Governance Reviewer

The meeting was held on MS Teams and commenced at 5.30 pm.

Item	Minute	Action
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1 Apologies

Apologies for absence were received from Tina Greaves (Governor), Philippa Poland (Governor) and Barrie Shipley (Chief Operating Officer, Finance & Infrastructure)

2 Declarations of Interest

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

There were no declarations of interest.

3 Estates Spring Term Update

The Director of Estates (DoE) presented an update report covering the progress of existing capital works, potential future works and a general Estates department update.

Members asked for further detail on the position with the water ingress at Doncaster College and the insurance claim. The DoE advised that the water ingress issues have now been rectified, remedial interior works continue, and discussions are ongoing with the insurance company regarding a settlement agreement.

Members asked about the additional workshop space at HESTA and the challenges around budget. The DoE assured the committee the focus would be on ensuring the space was compliant as well as considering the student experience whilst working within budget.

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	<p>Members asked about progress with the NLC new build programme and any capital cost implications. The DoE provided an update on the works programme and the committee had a full discussion about the potential risks and challenges associated with managing costs and the expectations in a project.</p> <p>Members thanked the DoE for the update report.</p> <p style="text-align: right;"><i>Note: The Director of Estates the meeting.</i> <i>Note: E Kirk joined the meeting.</i></p>	
4	<p>Minutes of the Finance & Resources Meeting held on 21 February 2024 and any matters arising</p> <p>The minutes of the meeting held on 21 February 2024 were agreed as a true and accurate record.</p> <p>Matters Arising</p> <p>Members noted that the Management Accounts are presented at today's meeting in the new Highlight Report format agreed at the last meeting.</p>	
5	<p>Recruitment of Learners</p> <p>The Vice Principal, Business Growth, Skills and Partnerships (VPBGSP) presented a Recruitment of Learners update report.</p> <p>Members noted that recruitment and retention across provision types across the group continues to be strong overall. Members discussed the impact of recruitment and retention on income. Members noted the update on projects, subcontractors, funding and recruitment activities.</p> <p>Members had a full discussion about engagement with schools and school leavers. Members discussed the College's approach to ensuring sufficient independent, impartial information, advice and guidance reaches young people who are making choices about next steps and leaving school.</p> <p>Action: The CEO to follow up on discussions on formalising process and system for supporting school leavers in receiving access to a full range of advice and guidance, and feedback to the committee at future meeting.</p> <p>Members thanked the VPBGSP for the positive report.</p>	CEO
6	<p>Sub-Contracting Fees and Charges Policy</p> <p>Members agreed to move Item 9 Subcontracting Fees and Charges Policy up the agenda.</p> <p>The VPBGSP presented the Subcontracting Fees and Charges Policy. The VPBGSP explained that the policy has been updated in line with audit recommendations to include a process documenting how contract changes would take place and a Framework for Joint Working for DNCG and subcontracting partners to adhere to and be measured against. Members were assured the policy had been through a robust internal development and review process. Members considered the policy.</p>	

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Resolution: The Finance and Resources Committee approved the Subcontracting Fees and Charges Policy.

Note: The VPBGSP left the meeting.

7 Management Accounts to 30 April 2024

The Director of Finance (DoF) presented the Management Accounts providing an update on the Group’s financial performance to 30 April 2024. Members reviewed the accounts in the new highlight report format. Members considered the management accounts and noted the year-to-date financial performance is currently exceeding expectations given an upturn in income, and lower than forecast expenditure. Members noted and discussed the areas with change in forecast income and expenditure. Members discussed the forecast variants across funding streams. Members noted current risks to financial position are performance against the Tuition Fund and Full Cost Income, and ongoing agency costs. Members discussed the risks and were assured these risks are being mitigated by continued underspends on staffing due to level of vacancies and non-pay expenditure. Members were assured that the reduction in expenditure and level of vacancies was not impacting on the service provided across the Group as evidenced by the positive KPIs across all areas which have been reported in detail at Corporation Board committees. Members discussed staff recruitment strategies and noted there had been a detailed report and discussion around staff recruitment and retention at the People and Transformation Committee. Members were assured that an improved Financial Health position of ‘Outstanding’ is currently forecast and banking covenant compliance is expected to be achieved.

Members noted, in the context of the improved financial performance forecast, a proposed £300 pro-rata staff bonus payment is to be recommended to the Corporation Board, with payment deferred to December 2024. Members were advised that this is included in the revised forecast and can be accrued in the 2023/24 financial year with payment deferred to December 2024 if approved at the July Board meeting.

Members discussed the new Management Accounts template and agreed the new format was very helpful and easy to understand. The committee agreed to receive the Management Accounts reports in the new format, including the income and expenditure bridge, at future meetings.

8 Draft Financial Plan 2024-26

The DoF presented the draft Financial Plan 2024-26. Members reviewed the report which provides the outcome of the financial planning for 1st August 2024 to 31st July 2026, identifying current planning assumptions and risks, to be presented to Corporation Board in July. Members were assured that the financial plan follows a comprehensive business planning round and confirm and challenge meetings with all budget holders.

Members were advised that the Financial Plan for 2024/25 to 2025/26 is to be approved by the Corporation Board and will form the basis for completion of the College Financial Forecast Return (CFFR) to be submitted to the ESFA by 31st July 2024.

Members were assured that the draft plan is consistent with the objectives of College’s Strategic Plan and has been prepared in accordance with the Financial Planning Handbook (2024) issued by the ESFA.

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The DoF provided a detailed outline of forecasted income and expenditure and the assumptions on which the financial projections are based as set out in the detailed commentary report. Members considered the assumptions on Income, pay award assumptions, capital investment, cashflow and key risks identified within the plan. Members reviewed and discussed the summary dashboard.

Members were assured that the draft Financial Plan complies with the College's bank loan covenants and translates into ESFA Financial Health grades of 'outstanding' for 2023-2024 and 'good' for 2024-2026.

9 College Financial Handbook

The DoF provided background to the publication of the College Financial Handbook 2024 which has been shared with the Corporation Board for information. The DoF explained that the Office for National Statistics (ONS) reclassification of colleges back into the public sector in November 2022, brought with it additional financial controls and guidance to meet Managing Public Money requirements.

Members were reminded that the DN Colleges Group Financial Regulations were updated and approved at the June 2023 Finance and Resources Committee meeting in line with the ONS re-classification of the FE sector into the public sector and to reflect structural changes and responsibilities.

Members noted that in March 2024, the ESFA published the College Financial Handbook 2024 that consolidated all of the financial requirements and regulation into one document. Members were assured that the College financial regulations have been reviewed to ensure compliance with the new handbook, with no changes or updates required. However, the handbook does impact on other policies that will be reviewed over the summer and any required changes will be notified at the next committee meeting.

10 Sustainability Update

The COOPI presented a sustainability report providing an update on the progress made by the Group towards meeting its sustainability strategic objectives, and an update on performance against actions identified in the Sustainability Strategy and Action Plan. Members noted and discussed the contents of the report. The COOPI highlighted the introduction of collaborative green projects involving students and the carbon neutral targets for the new build project.

Members noted that the Streamlined Energy and Carbon Report (SECR) for 2022-23 showed that the overall trajectory on carbon footprint reduction is improving. Members discussed carbon neutral targets and agree the Group is making steady progress.

Members discussed the challenge of meeting sustainability targets without significant financial investment at a time of a challenging economic landscape both for the College and the Government, at least in the short term.

Members noted that the Streamlined Energy and Carbon Report (SECR) 2022-23 is published on the college website. Members asked if the report is also submitted elsewhere. The COOPI agreed to look into requirements and feedback to the committee.

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	Action: The COOPI to look into requirements for publication/submission of the Streamlined Energy and Carbon Report and feedback to the committee.	COOPI
11	Committee Cycle of Business	
	Members considered the committee's proposed cycle of business for 2024/25. The Committee agreed the F&R Committee Cycle of Business for 2024/25 for recommendation to the Corporation Board for approval.	
12	Governance Development Plan	
	Members reviewed the spring term update to the Governance Development Plan noting progress against the target relating to Sustainability for which the committee has oversight. Members were assured progress against targets was on track and the committee were satisfied that the Board can be assured that the college is proactively engaged in implementing all relevant and appropriate measures to support long-term environmental sustainability.	
13	Risk Register Review	
	Members received the Group Risk Register. Members reviewed the strategic risk summaries and discussed the strategic risks for which the committee has responsibility for oversight. Members noted updates to controls, assurances, mitigations, and planned actions around each risk. Members considered the residual risk score for these risks noting that there had been some positive assurances provided around the risks but at this point there was no movement in the residual risk scores.	
	The committee agreed the new process of managing of risk implemented this year has been working well. The committee are assured that relevant sections of the Strategic Risk Register are available for the committee at each meeting in order that they can discuss and review level of risk. Key Issues and/or Risks reviewed at committee meetings are reported to the Board.	
14	Committee Chair's Report to Corporation Board	
	Members considered the business of the meeting and recorded key items and any changes to strategic risks identified for feedback to the Corporation Board in the Committee Chair's Report. The following items were highlighted for inclusion:	
	<ul style="list-style-type: none"> • Estates update. • Positive Recruitment figures. • Positive financial position. • New format for presenting management accounts well received. • Reviewed draft Financial Plan 2024-26. • Risk Reporting feedback working well. 	
15	Any Other Business	
	There were no items of any of other business.	
16	Date and Time of Next Meeting:	

Item**Minute****Action**

The date and time of the next Finance & Resources Committee meeting to be confirmed.

The meeting closed at 7.15 pm

Sharon Harmon
Clerk to the Corporation

Signed: (Chair)

Date:

TABLE OF ACTION				
Date	Item	Action	Responsibility	Date Due
24/06/24	5	The CEO to follow up on discussions on formalising process and system for supporting school leavers in receiving access to a full range of advice and guidance and feedback to committee at future meeting.	J Rees, CEO	Nov 2024
24/06/24	10	The COOPI to look into requirements for publication/submission of the Streamlined Energy and Carbon Report and feedback to the committee.	R Maguire, COOPI	July 2024