

Minutes of the Finance and Resources Committee Meeting held Virtually on Thursday 10 October 2024 at 4.00 pm

Corporation Members	Appointed as	Chair/Vice	Apologies
Martyn Thomas	External Governor	Chair	
Ian Sackree	External Governor		
Jim Harris	External Governor		
Peter Phythian	External Governor		<i>by virtual attendance</i>
Neil Cunningham	Staff Elect Governor		
Danny Metters	Ex-Officio		

In Attendance	Position	Present From / Until
Sallyanne Pearson	Director of Governance	(DG)
Kate Calvert	Chief People Officer	(CPO)
Ashleigh Penny	HR Manager	(HRM)
Steve Kelly	Chief Financial Officer	(CFO)
Joanne McGowan	Head of Finance	(HoF)

(2425.1) 1	Welcome and Apologies for Absence	
	The Chair opened the Meeting. Around the table introductions were taken. The attendance of the HRM and the HoF was acknowledged and welcomed. Changes to the Members appointed to the Committee were noted, including the appointment of Peter Phythian (External Member) and Neil Cunningham (Staff Elect Governor).	
(2425.1) 2	Declarations of Interest	
(2425.1) 2.1	To consider and declare , as required, amendments to the Register of Interest and any Conflicts of Interest	
	<i>Reference was made to the document entitled "Register of Corporation Members & Clerk Interests" included in the Agenda Pack.</i> Reference was made to a declaration of interest raised by Jim Harris in advance of the Meeting (<i>saved as Item 1 in the record of the Meeting</i>) relating to marketing at the College. The Principal noted his declarations of interest were not detailed on the Register of Interest. The DG acknowledged the omission, explaining that an annual reminder had been circulated and the Register of Interest would be updated, so far as possible, in readiness for the Corporation Meeting.	
(2425.1) 2.2	Declarations of Interest to items arising as part of the evening's business	
	Requested to be raised, as appropriate, as and when items arose.	
(2425.1) 3	Minutes of the Previous Meeting	
(2425.1) 3.1	Receive and approve the following Minutes from the meeting held on 3 July 2024	
	<i>All Minutes noted were included in the Agenda Pack.</i>	
(a)	Non-Confidential Minutes	
	The Minutes were confirmed as a true and accurate record. The Committee APPROVED the Minutes.	
(b)	Confidential Minutes	
	The Minutes were confirmed as a true and accurate record. The Committee APPROVED the Minutes.	
(2425.1) 3.2	Receive and resolve the Action Summary and Matters Arising	
	<i>Reference was made to the Finance & Resources Committee Action Summary – 10 October 2024 included in the Agenda Pack.</i> The Committee noted and reviewed the Action Summary and its updates. Actions were RESOLVED and are detailed in Appendix 1 to these Minutes.	

(2425.1) 4	Finance	
(2425.1) 4.1	Financial Management Report and Management Accounts	
(a)	<p>Receive and advise the Corporation on the Financial Management Report including Management Accounts up to 31 July 2024</p> <p><i>Reference was made to the Monthly Financial Accounts to 31 July 2024 included in the Agenda Pack.</i></p> <p>The CFO presented the Management Accounts up to end July 2024.</p> <p>The CFO reported that the narrative included in the Financial Management Report was correct but the supporting Income and Expenditure data was not. It was reported that the correct version had been circulated prior to the start of the Meeting (<i>noted as Item 2: Income and Expenditure in the record</i>).</p> <p>The College’s cash position was reported as strong (£6.3 million as of the Meeting date) which would continue to fund the College’s deficit position for the 2024/25 period.</p> <p>The CFO explained that the 2024 year end deficit position of £449k was an adverse variance of £91k against the forecasted budget of £358k although it was explained that this was largely in line with a outturn forecast previously provided. The CFO summarised that income generally was improving (£30,625k representing positive variance of £436k) but expenditure had also increased (£31,074k representing an adverse variance of £527k) . The FRS pension valuation is in a surplus position but is not included as part of the Management Accounts and is shown as nil.</p> <p>The CFO noted, in particular, the financial performance of the farm and a deficit position of £250,000 which included an adverse stock valuation adjustment of £150,000. Specific reference was also made to the catering services at Bishop Burton and Riseholme which were returning a negative contribution (£130k at Bishop Burton and £107k at Riseholme). Discussion was undertaken around this being a critical service for students and that efforts were made to reduce cost, improve efficiency and maintain commerciality to attract students. The positive contribution of catering for commercial events was also noted, being £203k for Bishop Burton and £46k at Riseholme.</p> <p>Reference was made to an email provided in advance of the Meeting raising queries to reporting provided (<i>included as part of Item 3 in the record “Email Queries”</i>) and a request from a Member for more detailed, granular financial information, on commercial areas such as the farm as well as on Riseholme. The Principal confirmed the importance of the Committee having visibility and assurance on specific contributions and variances of commercial areas and the CFO confirmed that the information would be provided going forward.</p> <p>The Principal added, in addition to the discussions being undertaken, that more granular financial information had been requested by the Farm Advisory Group Meetings which Members had attended and supported. It was confirmed that the financial information would not be reported to this Advisory Group going forward and would be provided to the Committee. The Principal confirmed that he was to meet with a Member of the Advisory Group the following day regarding this.</p> <p>A Governor noted that a greater, contextual, level of information for Riseholme would be beneficial noting the importance of being able to strategically position the College for growth. Reference was also made to the farm and having a more holistic understanding of the facility noting it as, primarily, a teaching and learning tool and not a commercial enterprise. Discussion and reflection was also undertaken on the College’s approach to the treatment of financial reporting around Riseholme and the current approach was supported and endorsed by the Chair of the Committee.</p> <p>The CFO continued his reporting and noted further information had been provided around the allocation of the Minor Works budget (as requested by the Committee at its previous Meeting). Members noted the value of having a greater understanding of the scale and scope of works which the Minor works budget allocation had to</p>	

	<p>cover. The Principal referenced the Strategic Sprint event being held for the Members on the same day as an Open Event at the College noting this would allow Members an opportunity to contextualise and visualise areas of the College which had been improved by investment from this budget line.</p> <p>The Committee NOTED the report provided and RESOLVED to ADVISE Corporation accordingly.</p>	
(b)	<p>Receive a verbal update on any material points arising from 31 July 2024 to date</p> <p>Nothing further was noted.</p>	
(2425.1) 4.2	<p>Update on the 2 Year Financial Forecast</p>	
(a)	<p>Receive and advise the Corporation on the update to the 2 Year Financial Forecast</p> <p>The CFO presented an updated two-year financial forecast which incorporated the current 2024/25 recruitment data. Reference was made to a previously forecasted deficit position of £500k for 2024/25 and a subsequent surplus position of £629k for 2025/26 which had been forecasted on an assumption of 10% growth in recruitment. It was explained however that this level of growth had not been achieved resulting in a revised deficit forecast for 2024/25 of £770k and a deficit position of £341k for 2025/26 owing to the impact of lagged funding. The CFO stressed however that forecasting would continue to fluctuate as key factors such as retention and HE recruitment continued to influence income. The CFO explained that other opportunities to improve financial forecasting (not included as part of the assumptions in the two-year forecast) remained - such as changes in funding rates, diversification of income and possible in-year growth funding all of which would mitigate the impact of the lower than forecasted growth. The CFO explained that the Committee had oversight of the Financial Forecast – 2024/25 and 2025/26 Risk Review of Key Assumptions document which would be kept up to date.</p> <p>The CFO added that owing to the changes in the political landscape there was no certainty around what the capital funding model would be and there was a possibility that the terms of current lending arrangements could change in February 2026.</p> <p>A Governor opened a discussion around the retention of students reflecting on the importance of improving retention and ensuring internal processes were robust on pupils being on the right course. The importance of ensuring a positive student journey and outcome was noted. The Committee requested the retention of students within the first six-week period of a new academic term (in particular) be reviewed by the Curriculum and Quality Enhancement Committee. The Principal acknowledged the points raised and explained that exit information, from students withdrawing, had been captured and would be considered at the next College Management Team (CMT) Meeting. It was reported however that the largest proportion of students withdrawing were taking up studies at other further education institutions which needed to be explored.</p> <p>ACTION: DG to ensure that student retention and withdrawals (within the first six weeks of the academic year) is included as part of the next Curriculum and Quality Enhancement Committee Meeting</p> <p><i>Part of this item was taken as confidential</i></p> <p>The DG noted that any changes to the terms of employment for Senior Post Holders would need to be considered by the Remuneration Committee.</p> <p>ACTION: DG to include the increase in concessionary days to the next Governance, Search and Remuneration Committee Meeting</p> <p>The Committee NOTED the report provided and RESOLVED to ADVISE Corporation accordingly.</p>	<p>DG</p> <p>DG</p>

(2425.1) 5	Student Association Accounts	
	<p>Reference was made to the report entitled <i>Student Association Accounts 2023/24</i> included in the <i>Agenda Pack</i>.</p>	
	<p>Consider and recommend to Corporation the Student Association Accounts for 2023/24 and approval of the Grant</p>	
	<p>The CFO noted the Student Association Account and requested approval for the annual allocation of £1,000 to the Student Association noting it was a regular budget item to support student activities.</p> <p>The Committee considered the same and RESOLVED to ADVISE the Corporation to APPROVE the Student Association Accounts and the awarding of the £1,000 Grant to the Student Association.</p>	
(2425.1) 6	Procurement Report	
	<p>Reference was made to the <i>Bishop Burton College Annual Procurement Report August 2023</i> – <i>July 2024</i> and the <i>Update on the Procurement Act 2023</i> included in the <i>Agenda Pack</i>.</p> <p>The CFO presented the Annual Procurement Report, detailing the College’s spending and procurement activities. Upcoming changes to the new Procurement Act were noted including the social value element. It was explained that the College’s Financial Regulations and Procurement Policy (and its thresholds therein) would need to align to these new requirements and training, processes, controls, policy and software would need to be adjusted and put in place as required. The CFO referred to the “aggregate” element being introduced as a consequence of the Procurement Act; explaining that the supplies and services threshold of £214,904 (although largely in line with current practice) would be exceeded when this requirement was introduced especially in areas such as vehicle leasing, student transport and IT. Specific reference was also made to expenditure thresholds in place, currently, for quotes and tendering processes as set out in the Financial Regulations. It was proposed that these be adjusted to allow tendering thresholds to be uplifted from £5k to £10k and £25k to £50k in line with practice across the sector. The CFO confirmed that having reviewed the requirements of the Procurement Act – amending these thresholds, at this point time, would not contravene any of the requirements contained therein.</p> <p>The CFO confirmed that amended Financial Regulations would be provided to the Audit Committee Meeting for its consideration.</p> <p>ACTION: CFO to provide an amended version of the College’s Financial Regulations to the Audit Committee which will incorporate changes required in readiness for the introduction of the Procurement Act as well as an uplift to the monetary threshold for quotes and tenders</p> <p>Reference was made to an email provided in advance of the Meeting raising queries to reporting provided (<i>included as part of Item 3 in the record “Email Queries”</i>). A Governor noted that queries had been raised around particulars of procurement which had been responded to by the CFO. The DG is to circulate the questions and responses to all Committee Members.</p> <p>The Committee NOTED the update provided and RESOLVED to update the Corporation as appropriate.</p>	CFO
(2425.1) 7	Estates	
	<p>Reference was made to the report entitled <i>Estates Strategy Update</i> and the three appendices circulated in the <i>Agenda Pack</i>.</p>	
	<p>Consider and advise the Corporation on the Capital Works Plan including evaluating financial viability and scope of works</p>	
	<p>The CFO provided an update on various estates projects. The Committee reviewed the proposed spending plans for the FE Capital Transformation Fund and the FE Reclassification Fund and the CFO noted the importance of these funds being utilised in maintaining and improving the College’s infrastructure which was, in part, linked to a historic 2019 FE Condition Data Collection Survey.</p> <p>Specific reference was made to the Risk Based Maintenance Matrix provided for the Committee’s oversight. The CFO explained that notwithstanding the prioritisation of</p>	

	works and alignment of capital funding detailed thereon; new areas of focus/development/repair were also identified at any point in time. The Committee reflected on the same noting the scale and scope of maintaining a land-based estate noting the operational remit of the decisions taken but thanking colleagues on the transparency of decision-making being made around a substantial sum of money/funding.	
(2425.1) 8	Human Resources and Organisational Services	
(2425.1) 8.1	Receive and consider the following annual reports for 2023/24:	
(a)	Annual Staffing Report including Staff Voice Feedback <i>Reference was made to the People Management Report as at 31 July 2024 included in the Agenda Pack.</i> The HRM presented the Report to the Committee, highlighting key statistics and trends including: <ul style="list-style-type: none"> workforce numbers remain consistent with a slight increase in headcount owing in part to a transition of sessional and fixed-term employees to permanent contracts; the Gender Pay Gap for 2022/23 shows improvement, with women earning 95p for every £1 earned by men, although it was noted that this is not on a role-for-role basis. Further exploration on a like-for-like basis is planned; part-time working has increased and now exceeds full-time contracts, indicating a rise in flexible working need; only a nominal number of employees had declared a disability but this number has doubled after resurveying, aligning more closely with sector expectations; training and development spending has slightly exceeded the budget but the introduction of a staff development portal has been positively received; staff recruitment and vacancies have fluctuated due to a shift towards recruiting permanent LSAs instead of using agencies, resulting in an estimated savings of £25k although this was noted as conservative and likely to be much higher; the turnover rate has decreased to 17% aligning with the sector average but remaining just outside the College’s KPI. <p><i>Part of this item was taken as confidential</i></p> <p>The Committee NOTED the Reporting provided and RESOLVED to update the Corporation as appropriate.</p>	
(b)	Health and Safety Annual Report 2023/24 <i>Reference was made to the Health and Safety Annual Report included in the Agenda Pack.</i> The CPO presented the Annual Health and Safety Report, emphasising the importance of health and safety in the College’s culture. The CPO reviewed accident data, noting a decrease in the number of accidents compared to the previous year. Health surveillance activities and training programs were noted, highlighting the College’s proactive approach to maintaining a safe environment. The CPO also referred to recent critical incident exercises and an ongoing collaboration with local emergency service. A Governor commented on the introduction of swipe card access at Riseholme’s showground campus which had improved lanyard compliance. The Committee discussed the importance of maintaining rigorous health and safety standards. A Governor reflected on the increased number of employees seeking flexible working and the College’s commitment to Health and Safety. It was put forward that the College needed to ensure it was in a position to equip members of staff to work from home safely and in the right working environment. The DG noted that health and safety was not under the delegated authority of the Finance and Resources Committee following revision to the Committee’s Terms of	

	Reference over the summer period. It was explained that discussion around its most appropriate alignment to a Committee would continue with the Chairs of the Finance and Resources Committee and the Audit Committee. The DG noted that the Health and Safety Report would also be provided to the Audit Committee for completeness. The Committee NOTED the Reporting provided and RESOLVED to update the Corporation as appropriate.	
(2425.1) 9	Committee Self-Assessment	
	<i>Reference was made to the Executive Summary Report entitled Finance and Resources Committee: Self-Assessment 2023/24 and ancillary report provided in the Agenda Pack.</i>	
	Receive and consider the Committee Self-Assessment	
	The DG summarised the Committee’s Self-Assessment as follows. Participation and engagement has increased and its overall assessment is rated as “Good.” Areas for improvement were noted particularly in terms of requiring more strategic reporting and more detailed oversight in certain areas. The Committee discussed the importance of continuous improvement and the steps being taken to address areas of development. The Committee NOTED the Reporting provided and RESOLVED to update the Corporation as appropriate.	
(2425.1) 10	Policies	
	<i>The policy noted was included in the Agenda Pack.</i> To consider and recommend to Corporation the: <ul style="list-style-type: none"> • Further Education Tuition Fees Policy The DG explained that the policy had been split from the HE Tuition Fee Policy for clarity and to better align with regulatory requirements. The Committee reviewed the changes and requested further detail on other amendments made therein and the reasons why. Notwithstanding the further information requested the Committee noted that they were happy to approve the policy in principle pending further detail being provided at the Corporation Meeting.	
(2425.1) 11	Any Other Business	
	Nothing raised.	

There being no further business the meeting closed at 6.20pm

Chair _____

Name _____

Date _____

Appendix A

Min Ref	Title	Action Point	Person/s Responsible	
3 July 2024				
23.47	Human Resources and Organisational Services	<ul style="list-style-type: none"> DPHROS to explore and track employee sickness across Student Services and provide updates to the Committee going forward <i>(DG to ensure its inclusion on Agendas)</i> DPHROS to provide financial benefit or cost of transitioning from fixed/temporary contracts to permanent ones 	DPHROS <i>DG</i> DPHROS	On Agenda. Remove as Action. Discussed at ELT Meeting 02/10/24. Remove as Action. On Agenda. Remove as Action.
23.49	Forecasting/Budgets	CFO to provide further detail/planned works which would be funded from the “College Upgrade Projects” element of Capital Expenditure Budget	CFO	On Agenda. Remove as Action.