

Minutes of the Finance & Resources committee meeting FRC21.4 held by video-conference on Wednesday 15 June 2022, Long Road Sixth Form College, Cambridge

Present: Gerry Bolton (committee Chair), Yolanda Botham (Principal), Abby Futter, Sophie Harrison, and Tony Humphrey

In attendance: Charlotte Hemmins (Finance Director)

Clerk: Anne-Marie Diaper

Ref **Actions:**

FRC21.4.1 Apologies for absence

None. The Chair informed the committee officially that Independent Governor Vickie Grenville had stepped down as a Board/FRC member.

FRC21.4.2 Declarations of Interest

None.

FRC21.4.3 Minutes of FRC21.3 held on Wednesday 27 April 2022

With one minor amendment, the minutes of the last meeting were agreed as a true and accurate record of the meeting.

FRC21.4.5 Committee review of key policies

Health & Safety policy. The FD explained that this was a completely new policy which had been drafted after reviewing many examples from within the sector. She explained that the policy covered anyone visiting the site, and referred to other College policies and functions led by other organisations, such as catering.

A committee member commented that the policy presented seemed good, subject to a few typos and stylistic amendments. He asked that the health and safety (H&S) manager might give a presentation to the Corporation at some point on the breadth of his responsibilities around H&S. The same Governor asked how the Corporation would know that due diligence/training was carried out around H&S and that there is evidence to support suggestions set out in the policy. The FD described measures such as the annual H&S report, RIDDOR reporting, near-misses recorded and H&S committee minutes, and through H&S audits regularly taken through technicians. It was suggested that the policy be amended to cross-refer to the policy associated with trips and the risk assessments carried out.

**Finance
Director**

Another Governor asked if H&S would be something for a specialist audit, to which the FD suggested that the specialist/internal audit plan was due to go to the Audit committee creating an opportunity to add H&S.

Subject to the amendments discussed, the committee agreed to recommend the Health & Safety policy for Board approval

Board

Financial support policy. The Finance Director (FD) presented the updated Financial support policy, explaining its purpose and how it was applied, with all applications under the policy reviewed on a case-by-case basis. Amendments were shown using tracked changes.

A Governor asked how College would know that the policy was being applied appropriately/fairly, to which the FD explained that household income must be evidenced. She went on to say that opening the fund up within the limits set out ensured the fund was used but not overstretched. The student welfare team, trained on the application of the fund by the Senior Finance Manager, were very good at identifying issues. The FD explained that no excessive increases in applications were received during the pandemic. She reminded the committee that a report would be taken to the autumn term meeting on the use of the fund. A verbal update on the spend of the policy would be taken at the November 2022 meeting.

Agenda

With no further comments the committee agreed to recommend the Financial support policy for Board approval.

FRC21.4.6 Estates update

The FD spoke to her written report. She gave an update on the new build project, particularly around the planning consent, after the planning application was submitted on Friday 13 May, the BREEAM excellent rating/assessment, building control regulations, order for the design phase of the modular buildings, and timeframe for the start and completion of the project, and the DNA test on the pond (negative, saving the cost of a licence fee). The report also covered an update on Health & Safety, to which there were no comments or questions.

FRC21.4.7 Management accounts April 2022

The FD presented the self-explanatory management accounts. It was noted that the revised forecast differs slightly from that in the budget paper. The FD spoke to the key changes in the forecast concluding with the amount of surplus at the end of the year. She paused for questions.

A Governor asked about a possible clawback for students who may not complete the year, in relation to LA high needs funds.

A Governor asked about contingency and I&E spend on equipment and resources that may be covered in year.

A further discussion ensued about details set out in paragraph 4.3 and paragraph 4.6, which the FD explained (monthly/annual).

A final question came from a Governor about cash balances at this point this year compared with the same time last year and the benefit or otherwise.

The ONS review was discussed briefly, including the possible timeframe. Colleges had been asked to provide data on leases and debt. The implications of the review of Colleges classification was not clear presently.

FRC21.4.8 Annual budget 2022/23 including capital budget allocation

The FD expected that this agenda item and item 9 may overlap somewhat.

She articulated the level of surplus along with level of contingency for next year, with some double checking that the budget allowed for any necessary additional posts. Income had been prepared using the appropriate ESFA contract figure and other income lines based on planned activities. ESFA income had increased by £3.1m and she explained the factors. A pay award was budgeted for but it was noted that national pay negotiations had not concluded at the time of the meeting.

There was an 8% assumed inflationary increase on non-pay, and the prudent budget included a likely large increase in utilities, with details of ESPO contracts for energy not expiring until March 2023 and March 2024.

She touched on the additional 40 hours of teaching leading to increase staff costs for teaching and support, student applications/numbers, international, high needs funding, additional resources, pay costs increases, teachers pension grant, non-pay costs increase, examinations, sustainability, and some Covid expenditure.

Capital had not been changed since the committee had reviewed it. A Governor noted that costs for IT had been included in specific breakdown of projects, but not furniture which the FD advised might be covered by I&E.

A Governor commented that the paper was very comprehensive but she wished to explore sustainability, staff activities, and plans to do more around staff health and wellbeing.

In relation to a Governor's question about cyber insurance, the FD explained the increase in costs was minimal.

A Governor asked about the investment strategy since interest rates were likely to rise, and how College was actively managing investments.

The committee was content to recommend Board approval of the annual budget for 2022/23 including capital budget allocation, as set out in the papers.

FRC21.4.9 Three year financial forecast

This had been touched on somewhat in the earlier discussion. FD shared her screen with the meeting, and she talked some of the high-level assumptions.

On income marketing and applications were key. An inflationary increase was assumed on the base rate, and funding rates going forward would be monitored.

The FRC Chair invited questions. A Governor asked about the use of the strategic development fund recurrent in each year. The same Governor asked about the declining student numbers between year 1 and year 2. The Principal reminded the meeting that retention may be affected by CAGs and TAGS over the last couple of Covid years, but that curriculum strategy would support this.

The FD then shared the CFFR on screen including financial health, which when reviewed, would be loaded to the portal on a monthly basis.

With no further discussion the committee was content to recommend the three year financial forecast to the Board for approval

FRC21.4.10 Review draft FRC Terms of Reference (ToR), business plan and scheduled meeting plan and dates for 2022/23

The Clerk had drafted the draft FRC ToR, meeting dates and business plan for 2022/23. Once agreed the ToR would go forward for Board approval as part of the standing orders.

The business plan would form part of the Corporation Cycle of Business for 2022/23 which would remain dynamic. The committee had already discussed meeting dates earlier in the year and would continue to meet remotely unless otherwise agreed in-year.

Ref

Actions:

There were no comments or questions, and the committee was content to approve its ToR for inclusion in the standing orders

FRC21.4.11 Governance improvement plan 2021/22 update on actions for committee

The Clerk had drafted the final updates to the GIP for the committee (particularly sections 2 and 6). The self-assessment for the end of year the committee agreed may lead to some deliverables being carried forward to 2022/23.

FRC21.4.12 Review risks

The Clerk had drafted the paper showing relevant risks to the FRC from the College risk register. The FRC Chair led a discussion on risk, saying that he felt the committee had touched on/discussed the key risks. Financial matters had been discussed at length.

A Governor wished to discuss the risk relating to the easy accessibility of the site. The FD advised that phase 2 of the fencing project would be completed after the new build, and that risk was being managed. The same Governor mentioned the IT security risk; the FD commented that the IT budget was being increased to cover additional IT security, and this was ongoing.

The risk of likely increased costs, in line with inflation, of the new build was to be added to the risk register following a recent meeting.

FRC21.4.13 Date of next meeting (2022/23)

FRC22.1 was scheduled for Wednesday 16 November 2022, at 10am.

The meeting closed finished at 11.59pm, and the staff Governor left the meeting.