



Minutes of the Finance and Resources Committee Meeting held on Thursday 17 March 2022 at 8am via Microsoft Teams

Present: John Fogarty – Chair (*Foundation Governor*)
Mike Hill (*Principal*)
Tracy Mawson (*Co-opted Governor*)
Naheem Shafiq (*Associate Member*)

Apologies: Andrew Rannard (*Foundation Governor*)

In attendance: Michelle Williams (*Vice Principal, Strategy & Resources*)
Lenore Burgess (*Finance Manager*)
Ruth Potter (*Clerk to Governors*)

The meeting was preceded by a training session delivered by Michelle Williams (Vice Principal) on 'Proposed Changes to Funding Methodology'. A question and answer session followed the Vice Principal's presentation.

The Chair welcomed all attendees and the meeting proper was opened in prayer at 8.20am

1. **DECLARATIONS OF INTEREST**

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter which formed part of the agenda for this meeting or was likely to be discussed at this meeting.

John Fogarty advised members that in his capacity as Acting Director General of Merseytravel he declared an interest in agenda item 8.1 – Student Transport Annual Review.

The Committee **noted** this information.

2. **APOLOGIES FOR ABSENCE**

Apologies had been received from Andrew Rannard. The meeting was declared quorate.

3. **ITEMS TO BE INCLUDED UNDER ANY OTHER BUSINESS**

3.1 There were no items submitted for inclusion under any other business. The Principal referred members to the recent calendar invite that had been sent out to all governors for a special strategic session on academisation on 9 May.

4. **MINUTES OF THE PREVIOUS COMMITTEE MEETING HELD ON 18 NOVEMBER 2021** (*previously circulated*)

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

5. MATTERS ARISING FROM THE MINUTES *(previously circulated)*

Committee members considered the action log prepared by the Clerk. Completed actions were noted and two pending actions were listed for consideration later in the agenda as follows:

23 September 2021, Minute 6.5 – Good Practice Guide for Management Accounts

Re-designed management accounts had been developed and were presented for consideration under item 6.1.

18 November 2021, Minute 6.2 – Reserves Policy

Draft Reserves Policy was presented for consideration under item 6.2.

The Vice Principal updated members in relation to the pay award budgeting expectations referenced in Minute 6.2 and confirmed that the College was reviewing this with guidance from the Sixth Form College Association (SFCA).

6. FINANCIAL MANAGEMENT

6.1 Finance Update and Management Accounts – February 2022 *(previously circulated)*

The Vice Principal presented this re-designed report which had been developed based on best practice guidance in order to provide a more visual guide to key issues via RAG rated tables of key financial information. The report would be subject to continuous development and governors were invited to share any feedback or suggestions.

The Vice Principal drew the Committee's attention to the following key points:

- Operating surplus at the end of February stood at £747k, representing a favourable variance of £273k over the anticipated position at this point in the year
- Net assets totalled £2,167k
- Non-pay costs, table 1 – Estates budget would require continued monitoring given the impact of increased utilities costs
- Key performance indicators (KPIs), table 2 – no current issues of concern. Student numbers data would in future be split by type of funding to provide greater clarity to governors. Student retention data would also be included in future KPI data.
- Capital equipment budget adjustments, table 4 – would be developed further to include monitoring data.
- Cashflow, table 6 – cashflow line graph provided rolling 12-month figure detailing actual position against projected.

The Vice Principal concluded by confirming that as at the end of February 2022, the College was in sound financial health.

The Chair thanked the Vice Principal for a comprehensive report and commended the Finance Team for their work in developing an excellent new format for the report. Governor comments and questions were invited.

Q – Figures raised a query regarding cashflow forecasting given continued high cash balance.

A – The Vice Principal confirmed that the plan was based on the approved budget last year. In terms of capital expenditure, this had not been as rapid in some areas as planned but would still be expended within the year. Reference was also made to the actual cash figure being more at the start of the year than had been anticipated when the budget was approved. Plans were in place for how some of this cash could be expended to further strengthen the College estate and improve the student experience.

Discussion ensued in relation to the cashflow table (table 6) and it was agreed that this could be further improved by the introduction of some narrative to explain the difference between actual and planned cashflow as well as clear labelling of the two lines on the line graph.

ACTION – Amend cashflow table to include brief narrative on variance and label line graph.

The Committee **approved** the finance update and management accounts as at the end of February 2022.

6.2 **16-19 Allocation Statement 2022-23** *(previously circulated)*

The Vice Principal advised that this statement had been issued on 24 February 2022 by the ESFA and confirmed the actual number of students the College would receive funding for in 2022-23 using the lagged funding approach. It was reported that funding would be provided for 1,955 students (2021-22, 1,888 students) representing an increase of 67 students. The Vice Principal explained the funding factors used to calculate other elements of the funding allocation, namely: retention, programme cost weighting, and various elements relating to disadvantage funding.

The allocation statement reflected the changes to the funding methodology outlined to Committee members during the earlier training session. Core funding per student had increased to £4,542 from £4,188. This represented an increase of £1.3m from the previous year and £341k more than the College's approved plan.

It was also noted that there had been an increase in the College's discretionary bursary fund allocation which would mean more money available to allocate to students who required support to attend College.

The Committee **noted** the report.

6.3 **Student Applications 2022-23** *(previously circulated)*

The Vice Principal advised that the College had made positive progress with the annual application process of promotion, open evenings, advice and guidance interviews for all prospective students. The closing date for applications was 25 February and the number of applications received had been in excess of planned enrolment numbers. It was noted that, unlike last year, the majority of students who had submitted applications had visited the College in person and this was likely to assist the conversion rate. As a result,

the Vice Principal advised that the College should achieve the recruitment target based on current predictions.

The Committee analysed the data – including the breakdown of applications per school – and a discussion ensued. Governors' questions included:

Q – Note increase in number of applications withdrawn compared to previous three-year data. What were the reasons behind this change?

A – Staff had been proactive in contacting students following interview which had proved effective at sifting out those who did not intend to come to Carmel. This had led to early withdrawals rather than last minute decisions.

Q – Note increase in number of applications from home tutored students. What plans were in place to aid the transition into formal education of students coming from a home tuition background?

A – Additional Learning Support Team and Pastoral Team would be involved in providing support tailored to individual need. Approach may depend on how many students actually enrol in September.

ACTION – Vice Principal to report back on enrolment numbers of home tutored students.

The Committee **noted** the report.

6.4 **Mid-Year Bursary Fund Update** *(previously circulated)*

The Vice Principal presented this update report and explained that a banded approach had been implemented in line with guidance which meant that awards were more closely linked to level of need. It was anticipated, however, that there would be a surplus at the end of the year and steps had already been taken to address this by increasing the upper threshold to £28k. This had been communicated widely to students and their families and had already resulted in an additional 18 applications. Additional options were under consideration in order to further reduce the surplus and support as many eligible students as possible.

The Committee **noted** and **approved** the report.

6.5 **Annual Treasury Report** *(previously circulated)*

The Vice Principal presented the Annual Treasury Report for 2020-21 and the mid-year treasury update for 2021-22 which had been prepared by the Finance Manager. The Vice Principal highlighted the following points:

- Investment earnings achieved so far for 2021-22 and full year comparatives for 2020-21 and 2019-20.
- Return on investments was low due to Bank of England base rate in the wake of the global pandemic.
- An error had been made on the rate applied to the College's bank account and this would be corrected with no adverse impact on the College.
- Green investment opportunities were being explored in line with the College's strategic priority on sustainability.

A discussion ensued and the Committee **noted** and **approved** the contents of the report, including the investigation of a green investment strategy.

6.6 **Financial Regulations 2022** *(previously circulated)*

The Vice Principal provided a summary of the changes being recommended since the last approval of the Financial Regulations.

The Clerk highlighted the reference to the UK Corporate Code of Governance on page 4 of the Regulations and indicated that should the Full Governing Body decide to change the code of governance followed by the College, a further amendment to the Regulations would be required to reflect this.

The Committee **recommended approval** of the Financial Regulations 2022 to the Full Governing Body.

ACTION – FGB agenda item – Financial Regulations 2022

7. **ESTATES MANAGEMENT**

7.1 **T Level Capital Development Project** *(previously circulated)*

The Vice Principal presented her update report on progress on the College's T Level capital project. The following key points were highlighted:

- Tender Panel meeting took place on 12 January to consider bids and appoint a contractor to deliver agreed works. Three governors sat on the Panel.
- Bids had been higher than anticipated and hence a value engineering process had taken place in order to identify areas for cost savings, however total costs remained in excess of original approved budget.
- Chair's Action process had been followed in order to approve an urgent increase to the project budget of £30,670 so that the project completion deadline was not jeopardised by delays.
- Preferred contractor (a local provider) had been duly appointed and work had commenced on site and was reported to be progressing well.

The Committee **noted** the contents of the progress report.

7.2 **Condition Improvement Fund (CIF) Bid** *(previously circulated)*

The Vice Principal referred the Committee to the report which had previously been circulated detailing the urgent roof replacement and repairs required to the College's library and refectory areas. She reported that the College had submitted a CIF bid in an attempt to access financial support with the associated costs. Total cost of the scheme of works was £625k and, should the bid be successful, the College would be expected to contribute at a rate of 30.5% (£191k). The outcome of the bid was not yet known. The Vice Principal indicated that should the bid be unsuccessful, consideration would need to be given to approving expenditure from the College reserves in order to prevent further deterioration of the buildings in question.

A discussion ensued in relation to the College's Property Strategy – presented to the Committee at its last meeting – and the priority projects highlighted within. It was agreed that the Vice Principal would extract the relevant information on key priority projects from the Property Strategy and present this

for review at the next Committee meeting. Governor comments and questions were invited.

Q – What is the timescale for notification of bid outcomes?

A – DfE Condition Improvement Fund 2022-23 Information for Applicants states Spring 2022. No specific date given.

Following further discussion and consideration, the Committee **recommended retrospective approval** of the CIF bid to the Full Governing Body including the College investment of £190,781 into the project should the bid be successful.

**ACTION – (a) FGB agenda item – CIF bid
(b) Notify governors of outcome of bid once known
(c) Next Committee meeting agenda item – key priority projects under College Property Strategy**

7.3 **Catering Contract** (*previously circulated*)

The Vice Principal presented this paper and confirmed that the contract for catering services within the College was due to expire at the end of the academic year. Given that the operation of this contract had been severely affected by the Covid-19 pandemic, the incumbent provider had not had the opportunity to demonstrate their full offer during the contract period and hence it was difficult to make an accurate assessment of performance. It was proposed, therefore, that the current contract be extended for a 12-month period to allow a full year of uninterrupted trading to be completed. This in turn would facilitate more accurate financial data to support a tender exercise at the end of the next academic year.

Governor comments and questions were invited.

Q – Have staff and student surveys taken place to measure satisfaction levels with the current service?

A – Yes: student feedback has resulted in some positive changes. For example, the decision to extend opening hours to 4pm on Tuesday and Thursday arose from Foundation Learning student feedback.

Committee members considered the proposal in the context of positive service user feedback reports and **recommended approval** of the extension to the catering contract for a period of 12 months to the Full Governing Body.

ACTION – FGB agenda item – Catering contract

8. **STUDENT TRANSPORT**

8.1 **Student Transport Annual Review** (*previously circulated*)

The Vice Principal presented her report arising from the annual review of student transport. The following key points were highlighted:

- Covid impact on Widnes bus services procured this year due to shortage of drivers. Service was consequently reduced from two routes to one to alleviate driver cover issues and students compensated by refund of £100.

- Other services operated as normal via public bus routes and – where these were not available – private College contracted services.
- Minibus service for Foundation Learning students on Friday afternoon due to timetable change.
- Tender exercise required after Easter.

The Chair reminded members of his declared interest in this item of business and invited them to raise any comments or questions arising from the Vice Principal's report.

The Committee **noted** the contents of the report.

9. POLICIES

9.1 Procurement Policy (*previously circulated*)

The Vice Principal presented this policy, which was due for triennial review, and reported that only minor amendments were recommended. It was noted that regional and national purchasing consortia and framework agreements were explored where appropriate in order that best value for money could be secured.

Governor comments were invited and a discussion ensued on the local economic impact of the procurement strategy and the potential opportunities for sourcing local providers. It was agreed that further analysis of the College's contracts with service providers would take place in order to quantify the proportion of local provision compared with that under a wider regional or national framework agreement. The Vice Principal confirmed that work was already underway to develop a comprehensive contracts register and provider locality information could be added to this in order to facilitate this analysis.

Further discussion took place on the link with the College's strategic priority on sustainability and the potential for wider development of environment, social and governance (ESG) standards.

The Committee **recommended approval** of the Procurement Policy to the Full Governing Body.

**ACTION – (a) Provide analysis of contractor provision by locality as part of the development of a College contracts register
(b) FGB agenda item – Procurement Policy**

9.2 Reserves Policy (*previously circulated*)

The Vice Principal presented this new policy, which had been developed in line with best practice and aimed to formalise the College's approach to surplus funds.

The Committee **recommended approval** of the Reserves Policy to the Full Governing Body.

ACTION – FGB agenda item – Reserves Policy

10. OTHER MATTERS

10.1 Governor Training

Governors were invited to email the Clerk with details of any recent training and development activities.

10.2 **Any Other Business**

None

10.3 **Date of Next Meeting**

Thursday 23 June 2022 at 8am

The Chair thanked all Members for their attendance and contribution at the meeting. There being no further business to discuss the meeting was brought to a close at 9.15am.



Signed by the Chair: _____

On this day: _____ 23 June 2022 _____