



Minutes of the Finance and Resources Committee Meeting held on Thursday 21 November 2024 at 8am via Microsoft Teams

Present: John Fogarty (*Foundation Governor*) – Chair
Paul Foy (Brother Ben) (*Foundation Governor*)
Janet Gater (*Principal*)
Andrew Rannard (*Foundation Governor*) – Vice Chair
Naheem Shafiq (*Associate Member*)

In attendance: Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Jackie Hazelden (*Finance Manager*)
Ruth Potter (*Clerk to Governors*)

The Clerk explained that the meeting would be chaired by the Vice Chair of the Committee, Andrew Rannard. The Vice Chair welcomed all attendees and the meeting was opened in prayer by Brother Ben.

1. ROUTINE AND STANDING ITEMS

1.1 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. No interests were declared.

1.2 Apologies for absence

All members were present. The meeting was declared quorate.

1.3 Items to be included under urgent business

No items were submitted.

1.4 Minutes of the Finance & Resources Committee meeting held on 10 June 2024 (*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.

1.5 Matters arising from the minutes (*previously circulated*)

Committee members considered the action log prepared by the Clerk. It was noted that all actions had been closed out.

2. FINANCIAL MANAGEMENT

2.1 Financial Statements for the year ended 31 July 2024 (*previously circulated*)

The Vice Principal referred to this report and advised that the College's external auditors, Murray Smith LLP, had already presented the Financial Statements to the Audit Committee at its meeting on 19 November 2024. The Audit Committee had recommended the financial statements for approval by the full Governing

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

- The surplus for the year was £98k; the total comprehensive income for the year was positive at £138k.
- Net reserves totalled £9,210k.
- Key financial ratios over five years to 2024.
- Reconciliation between management accounts reported in October and the financial statements comprised £1k negative adjustment on general expenditure.
- College exceeded the planned operating deficit target of £(194)k by £292k largely due to increase in Higher Education (HE) income and decrease in operating expenditure.
- Strong cash balance and strong liquidity position.
- Bank loan covenants had been met once the pension adjustment disregarded.
- Ratio used to measure financial health of the College disregarded pension actuarial valuations and the health grade will be reported as Good.
- External auditor's Audit Completion Report was considered by the Audit Committee at its meeting on 19 November 2024.
- Submission of Financial Statements to Education and Skills Funding Agency (ESFA) required by 31 December 2024.

Comments and questions were invited from Committee members.

Q – What is the future look in terms of additional government funding?

A – Government had approved a 5.5% pay award for teaching staff, however non-academised sixth-form colleges were not included in the additional funding allocated to support this award. The Sixth Form College Association (SFCA) had submitted a legal challenge to the Department for Education (DfE) regarding this decision, the outcome of which was not yet known. In terms of the increase in employer's national insurance contributions, the financial implications of this had been costed however it was anticipated that sixth-form colleges would be funded for this increase.

The Vice Principal referenced a separate Value for Money Annual Report that had been presented to Audit Committee earlier that week. The report highlighted the positive efforts to secure best value for money across a range of activities spanning the whole the College. These savings had been reflected in the reduction in non-pay costs.

Discussion ensued with regard to the College's reserves and investment portfolio. It was noted that a cautious approach was taken with short-term investments linked to the cashflow forecast. Reserves could be used to support capital development should this be required.

Committee members acknowledged the strong set of accounts and the positive surplus position at the end of the year despite the previous year's deficit position. The Committee extended its appreciation to all Finance Team staff for their work throughout the year leading to the preparation of the financial statements and clean audit report.

Resolved:

- **That the Financial Statements for the year ended 31 July 2024 be received and noted.**

2.2 Finance Update and Management Accounts – October 2024 *(previously circulated)*

The Vice Principal provided a summary of the College's financial performance up to the end of October 2024, which reflected the first three months of the financial year. It was noted that changes to the budget due to the increase in student numbers had been reported at the last full Governing Body meeting on 1 October 2024.

The following points were highlighted:

- Operating surplus – £190k, favourable variance of £180k against anticipated position.
- Headline performance – no concerns.
- Key performance indicators – most indicators RAG rated green. Amber indicators explained.
- Staff numbers – RAG rated amber as variance of five extra staff against plan due to need to recruit additional staff in response to student over-recruitment.
- Forecast funding outturn vs. funding allocation – RAG rated amber as ILR funding data not due to be submitted until December, following which numbers would be finalised.
- Income – expect to receive in-year funding for 87 students due to over-recruitment, with estimated additional £400k income. Next year's income under the lagged funding model would be positively impacted by increase in student numbers.
- College in sound financial health.

Discussion ensued and questions from Committee members were invited.

Q – KPI on dependency on ESFA; presumably most colleges were dependent on this source of funding?

A – Yes. In fact, due to Carmel's HE income it was less dependent on ESFA 16-19 funding than many other colleges in the sixth-form sector.

Resolved:

- **That the management accounts as at the end of October 2024 be approved.**

2.3 National Pay Agreements *(previously circulated)*

The Vice Principal updated members on the latest situation with regard to National Joint Council (NJC) pay negotiations. The College was represented in national pay negotiations by the SFCA, with separate negotiations undertaken for teaching staff and support staff, however no pay agreements had been reached so far this year. The Vice Principal updated members on the SFCA's legal challenge against the DfE's decision not to extend its funding for the 5.5% teacher pay award to 42 sixth-form college corporations. This decision impacted on the affordability of the pay award across a large part of the sector and, as a result, a collective pay agreement had not been reached.

The Principal updated members on discussion at the recent North West Principals meeting and indicated that it could take some months for the issue to be resolved. In the meantime, the NEU had balloted for strike in December across the unfunded colleges. The threshold for strike action had not been reached in Carmel.

Members discussed the potential impact of an unfunded pay agreement and the Vice Principal confirmed that the College had budgeted for a 3.25% pay award. The potential extra cost of funding a 5.5% award was highlighted. Should SFCA be unsuccessful in its challenge, however, there would be implications for reaching a collective pay agreement. The potential impact of a discrepancy between teachers' pay awards in schools and colleges, however, could ultimately threaten staff recruitment and retention.

The Vice Chair thanked the Vice Principal for her report and noted that further updates would be provided to governors at future meetings.

2.4 ESFA Accountability Agreement 2024-25 (*previously circulated*)

The Vice Principal advised the Committee that the College had received and signed its Accountability Agreement from the ESFA. This was the main funding document setting out all the contractual terms and conditions. The full document had been uploaded to GovernorHub for reference. The Vice Principal drew members' attention in particular to the appendices setting out the responsibilities of governors and the funding summary.

Resolved:

- **That the ESFA Accountability Agreement 2024-25 be received and noted.**

3. RESOURCES & ESTATES MANAGEMENT

3.1 Staff Recruitment Annual Report (*previously circulated*)

This anonymised report was presented by the Vice Principal and included data in relation to all internal and external appointments from September 2023 to August 2024. The Vice Principal reported that certain posts had required more than one recruitment round in order to fill the vacancy, however all posts were now filled.

Discussion ensued, specifically with regard to the expansion of the College's Engineering cohort and the resultant need for a dedicated Head of Subject.

Resolved:

- **That the Staff Recruitment Annual Report be received and noted.**

3.2 Staff Absence Annual Report (*previously circulated*)

This anonymised report was presented by the Vice Principal and included the percentage absence rate amongst teaching staff, support staff and cleaning staff for the period September 2023 to August 2024. Comparative data from 2022-23 was also included. The Vice Principal reported an increase in the absence percentage from the previous year across teaching and support staff and a decrease for cleaning staff. The number of long-term individual staff absences (triggered after 40 consecutive days) had halved.

The Vice Principal confirmed that staff absence was monitored on a regular basis by the Senior Leadership Team (SLT). Occupational health referrals were made

when necessary and welfare meetings held with individuals to support an effective return to work.

Members' comments and questions were invited.

Q – Any patterns or trends identified with absences?

A – No particular patterns observed. This is specifically considered as part of SLT monitoring procedure.

Resolved:

- **That the Staff Absence Annual Report be received and noted.**

3.3 **Health and Safety Annual Report** (*previously circulated*)

The Vice Principal referred the Committee to the report which had been prepared by the College's Estates Manager. This summarised College activity relating to Health and Safety during the 2023-24 academic year. The Vice Principal highlighted the following aspects of the report:

- Key roles and responsibilities with regard to health and safety.
- Health & Safety Committee – regular meetings with representation from the Estates Team, staff, and students. Key health and safety risks discussed and risk register considered by Committee.
- Staff training programme – annual staff training, including specific CPD for Estates Manager.
- Annual accident report for 2023-24 – data on all reported incidents involving staff, students, visitors and contractors. Comparative data from previous years.

The Vice Principal indicated that the annual report was designed to provide overarching assurance to the Governing Body on activities undertaken to promote the health and safety of all College stakeholders. Questions and comments were invited on the report.

Q – Report refers to lockdown testing and indicates procedures continue to be progressed. What is the latest position?

A – Lockdown training completed and individual classrooms have plan in place. Main remaining area for development relates to students outside classrooms in general social areas such as the refectory. Procedures are being reviewed and developed to ensure all such areas have an appropriate plan in place.

A point of clarification was sought in relation to fire drill procedures. It was reported that an unplanned evacuation had taken place this term due to the glass being smashed on one of the alarms. One governor confirmed his interest in attending the next planned fire drill.

Resolved:

- **That the Health & Safety Annual Report be received and noted.**

ACTION – FGB agenda item – Health and Safety Annual Report (for information)

3.4 **Condition Improvement Fund (CIF) – roof repairs project final report**

(previously circulated)

The Vice Principal confirmed that all works on this project had been completed and the final report submitted to the DfE. A slight underspend against budget was reported.

The Vice Principal reported that the roof was now fully secure and watertight.

The Vice Chair thanked all staff involved in organising and facilitating this capital project.

Resolved:

- **That the CIF Roof Repairs Project Final Report be received and noted.**

4. POLICIES

4.1 **Health and Safety Policy** *(previously circulated)*

The Vice Principal presented this policy, which was due for review, and highlighted the amendment to section 15 (Work Placement and Community Work) proposed following consultation with the College's Health and Safety Committee.

It was noted that in line with the new policy review schedule approved by the Governing Body on 1 October 2024, in future this policy would be reviewed on a biennial cycle.

Resolved:

- **That the Health and Safety Policy be received and recommended to the Governing Body for approval.**

ACTION – FGB agenda item

5. COMMITTEE EFFECTIVENESS

5.1 **Review of Committee Terms of Reference and Cycle of Business** *(previously circulated)*

The Clerk invited Committee members to review the cycle of business and confirm whether the move to three meetings a year, with just one Autumn Term meeting, should be adopted moving forwards. Members agreed that the new structure had certain advantages and should continue next year.

Discussion ensued on whether the Committee's consideration of the College's Financial Regulations sat best in the Spring or Summer Term. It was agreed to keep it in the Spring Term cycle.

A point of clarification was raised with regard to whether the College had a separate scheme of delegation. The Clerk confirmed that historically no such document had been approved as delegated levels of financial authority were contained within the Financial Regulations and other delegations from the Governing Body to its committees were contained within the Terms of Reference.

The Clerk invited members to conduct an annual review of the Committee's current Terms of Reference to determine whether these remained fit for purpose. An amendment to the membership provision was proposed to bring the

terminology in line with Quality and Standards Committee (as the only other Committee that benefitted from Associate Members).

Resolved:

- **That the Finance & Resources Committee Cycle of Business be agreed with review of Financial Regulations in the Spring Term.**
- **That an amendment to the membership provision in the Finance & Resources Committee Terms of Reference be recommended to the Governing Body for approval.**

**ACTION – (a) Cycle of business to include review of Financial Regulations in Spring Term
(b) FGB agenda item – Terms of Reference**

5.2 Review of Key Performance Indicators (KPIs) 2023-24 and approval of KPIs for 2024-25 (*previously circulated*)

The Committee was required to review its own performance annually and the Clerk presented an analysis of performance against agreed KPIs from the previous academic year. It was noted that all but one KPI had been achieved.

The Clerk referred members to the draft KPIs for the year ahead which contained a number of suggested amendments, largely to reflect the move to a three-meetings a year model. Following discussion, members approved the draft KPIs.

Resolved:

- **That the analysis report on KPIs for 2023-24 be received and approved.**
- **That the KPIs for 2024-25 be approved.**

5.3 Review of Committee Skills Analysis and Training Plan (*previously circulated*)

The Clerk presented an anonymised analysis of the 2024 skills audit responses for Finance and Resources Committee members. It was noted that the average score for all questions was three or above. As a result, no significant skills gaps were evident on the Committee. Indeed, the strength brought to the Committee by two members with professional financial qualifications was acknowledged.

The Clerk reminded members of the regular training and development opportunities available via the Sixth Form College Association (SFCA) governance webinar programme and the Education and Training Foundation (ETF) Governance Development Programme. In addition, she invited any member to contact her should they identify the need for additional Committee training or personal development to support their governance role.

Resolved:

- **That the Committee skills audit 2024 be received and noted.**

6. OTHER MATTERS

6.1 Governor Training

Members were invited to update the Clerk on any training activities they had completed since the last meeting. One member reported attendance at a number of governor training courses, the details of which would be sent to the Clerk for inclusion on the governor training log.

ACTION – Governor to forward details of completed training to the Clerk

6.2 Any Other Business

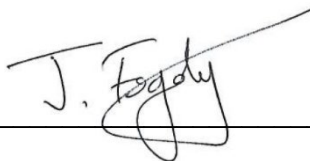
None

6.3 Date of Next Meeting

Thursday 13 March 2025 at 8am

The Vice 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 8.55am.

Signed by the Chair: _____

A handwritten signature in black ink, appearing to read 'J. Fogarty', is written over a horizontal line.

On this day: _____ 13 March 2025 _____