

QUEEN ELIZABETH SIXTH FORM COLLEGE

Minutes of the meeting of the Finance & Resources Committee held on Monday 7th November 2022

Present	Mr C Wiper, Chair Mr T Fisher Mr D Warman Mr A Wilson
In attendance	Mrs L Marron, Vice Principal (F, I & R) Mrs N Wade, Acting Clerk
Apologies	None

Ref:		Actions
28/22	<u>Declarations of Interest</u> There were no declarations of interest.	
29/22	<u>Minutes of the Meeting held on 13th June 2022</u> The minutes were approved as a true recorded and signed by the Chair.	
30/22	<u>Matters Arising</u> None	
31/22	<p><u>Estates Update</u></p> <p>Mrs Marron presented the <i>Estates Update</i> that had been written by Mark Anderson, Estates Manager, and informed the Committee that Mr Anderson would be happy to attend Committee meetings if so requested. Mrs Marron summarised the report covering the areas of risk management; fire extinguishers, alarms and emergency lights; recent works; heating systems; staffing and October half term works. Mrs Marron informed the Committee that she is looking to engage an external organisation to complete an independent health and safety validation report and has approached three companies to submit a tender for the works.</p> <p>Mr Warman asked if the College is required to have external health and safety validation and Mrs Marron confirmed that it is not a statutory requirement, but it is best practice.</p> <p>Mr Wilson asked if there is any known asbestos still on the College site and Mr Fisher explained that there is no known asbestos on site but it is always a possibility with older buildings such as those on the College estate. He added that if any asbestos is found it will be removed. Mr Wilson confirmed the need for a continued asbestos risk assessment and Mrs Marron added that asbestos management would form part of an external health and safety service level agreement.</p> <p>The Committee accepted the <i>Estates Update</i>.</p>	

Ref:		Actions
32/22	<p><u>Expansion Project Update</u></p> <p>Mrs Marron explained she had received an update report from AA Projects and Mr Wiper asked for an update on the current situation. Mrs Marron confirmed that the project is still on course to complete in March 2023 as planned and there is still £486k of the planned contingency remaining.</p> <p>Mr Warman asked how much was in the original contingency and Mr Fisher replied it was around £600k. Mr Fisher explained that increased steel costs plus enabling works and some modifications made to the original design had all impacted.</p> <p>Mr Wilson asked if the first floor redevelopment will be mostly re-decoration or will it be more substantial. Mr Fisher explained that the first floor has been gutted as part of the expansion works and that a brand new Student Common Room and staff wellbeing area will be created. Mrs Marron explained that plans for the first floor redevelopment will be brought to this Committee for approval.</p> <p>Mr Warman asked what accommodation the students are currently using for catering facilities and Mr Fisher explained that the Main Hall has temporarily been converted into a Student Common Room with a food service area and that a kitchen is located in the rear courtyard.</p> <p>Mr Wilson asked if the temporary use of the Main Hall will impact upon exams and Mr Fisher explained that it would not, as the Sports Hall can be used to hold exams, but unfortunately a few of the regular events that usually take place in the Main Hall have had to be postponed.</p> <p>The Committee accepted the <i>Expansion Project Update</i>.</p>	
33/22	<p><u>HR Summary Report</u></p> <p>Mr Fisher provided an overview of the <i>HR Summary Report</i> and drew attention to the changes in Senior Management; Progress Tutors; Learning Support and the new addition of three Guided Independent Learning (GIL) Tutors. Mr Fisher explained that the introduction of GIL sessions has been well received by curriculum colleagues and that the GIL tutors and Lisa Bates have done a great job in getting the sessions established.</p> <p>Mr Warman asked for clarification of the Project Accountant role and Mrs Marron explained that the temporary post has been created to add additional capacity to the Finance team during a period of long term illness. Mr Wiper noted that there is recruitment in progress for a Finance Officer and Mrs Marron explained that this is due to the forthcoming retirement of another member of the team.</p> <p>Mr Fisher informed the Committee about two additional roles due to be advertised shortly; a Job Coach and a Data Manager. Provision had already been made in the budget for a Data Manager and the addition of a Job Coach will enable to College to further support the approximately 200-250 students each year who move directly into employment or apprenticeships.</p> <p>The Committee accepted the <i>HR Summary Update</i>.</p>	

Ref:		Actions
34/22	<p><u>ESFA College Financial Forecasting Return 2022-24</u></p> <p>Mrs Marron referred to the letter from the ESFA that had been included within the meeting papers and explained that Mr Hargrove had submitted the College's Financial Forecasting Return. She confirmed that the ESFA considers College's financial health to be 'Outstanding', both for the latest outturn forecast year (2021/22) and for the current budget year (2022/23).</p> <p>Mrs Marron informed the Committee that the ESFA will be sharing a financial dashboard, most likely in January, which will include key performance indicators and benchmarking data that will enable governors to make comparisons with other similar colleges in the sector. The dashboard will be included on the agenda for a future meeting</p>	NJW
35/22	<p><u>Finance Report July 2022</u></p> <p>Mrs Marron referred to the <i>Finance Report July 2022</i>, which forms the basis of the College's Annual Report and Financial Statements 2021-22. Mrs Marron drew attention to some key areas including a stronger than expected assets to liabilities ratio; a stronger than expected operating surplus; bank loans as a percentage of income are as budgeted; financial health points are higher than expected; staff costs as a percentage of income are slightly over budget and cash days in hand, income and the operating surplus are all higher than expected. Mrs Marron highlighted the pension fund costs that are excluded from the year to date surplus, but which will appear as a deficit in the financial year-end statements.</p> <p>When reviewing the College's income, Mr Warman asked if there is a demand for adult education classes and Mrs Marron confirmed that there are currently no plans to reinstate these due to issues with funding. Mr Wiper asked if it benefitted staff at the College to have the additional income from evening class teaching and Mr Fisher replied that classes were mainly taught by external colleagues and that the College had to cover additional energy and staffing costs in order to run the courses. Mrs Marron added that it is also difficult to take external lettings at the moment due to the expansion project, but this is something to be considered again once the project is complete.</p> <p>Mrs Marron informed the Committee that the College has been successful in its bid for a decarbonisation and energy savings grant as part of a study funded by SALIX.</p> <p>Mrs Marron added that Mr Hargrove had managed the College's finances very well in what were difficult circumstances and that the balance sheet is in a good position, cash flow is good and the report shows a good year-end.</p> <p>The Committee accepted the <i>Finance Report July 2022</i>.</p>	
36/22	<p><u>Annual Report and Financial Statements 2021-22</u></p> <p>Mrs Marron referred to the Annual Report and Financial Statements 2021-22, which are due to be sent to the Audit Committee for its meeting on 17th November, and explained that the External Auditor has identified two minor issues, one regarding procurement of IT hardware and the other regarding 'holding/suspense' accounts. Plans are in place to introduce a contracts register and to review the balances in the holding/suspense' accounts. The External Auditor has confirmed that the College is a very strong going concern. They added two disclosures, one regarding pensions and the other highlighting a case for the backdating of holiday pay for casual staff (Harpur Trust v Brazel).</p>	

Ref:		Actions
	<p>Mr Warman asked if the College is expecting any claims for back-pay and Mrs Marron explained that the methodology for calculating this will be brought to the Committee, but we won't know the likely impact until the assessment has been completed; this is a contingent liability.</p> <p>Mrs Marron agreed to share the full <i>Annual Accounts and Financial Statements 2021-22</i> with the Committee.</p>	LJM
37/22	<p><u>Finance Report September 2022</u></p> <p>Mrs Marron provided a high level summary for the Committee and explained that there are no issues with the current assets to liabilities ratio; no issues with the operating surplus; the SALIX loan remains the only loan in place and that the financial health points are on track. She added that the year to date income is slightly lower than budgeted.</p> <p>Mr Warman asked if there is an issue with staff costs. Mr Fisher replied that new roles have been created and some restructuring has taken place in order to support the management of certain areas, thereby increasing staff costs. He added that there is also planned industrial action on pay with the teaching unions having rejected an offer of 5% to 8.9%.</p> <p>Mrs Marron confirmed that the budgeted increase in staff costs was 4.5%, but it is likely to be closer to 5% in reality. She added that some of this increase would be covered by the drop in National Insurance contributions.</p> <p>The Committee accepted the update.</p>	
38/22	<p><u>Post-16 ILR Monitoring Dashboard</u></p> <p>Mrs Marron explained that a new Post-16 Monitoring Dashboard is due to be produced by the government and will track progress, retention, destinations etc. The dashboard will be shared with the Committee once available.</p> <p>Mr Warman asked if the College is expecting an increase in student numbers in the future. Mr Fisher explained that numbers of college-age students is increasing, but so is the competition; it is likely that numbers will continue to grow but then the demographics will decrease again after four or five years.</p> <p>The Committee accepted the update.</p>	
39/22	<p><u>Terms of Reference and KPIs</u></p> <p>Mrs Wade highlighted a small number of minor changes to be made to the Terms of Reference and confirmed that policies referred to in the TORs will be brought to this Committee for review at a future meeting.</p> <p>The Committee approved the Terms of Reference for a period of twelve months.</p>	NJW
40/22	<p><u>AOB</u></p> <p>Mr Wilson asked what will happen to the College's savings if it becomes an academy and will they be shared across the Trust. Mr Fisher explained that savings would be shared in the sense they would belong to the MAT, but that individual providers within the MAT</p>	

Ref:		Actions
	<p>would normally retain any money they generate. Mrs Marron added that most academies have a single bank account but resources can be kept separately and reported on by each provider; arrangements would need to be agreed at the outset.</p> <p>Mr Warman asked if that meant a provider within a Trust would not be allowed to 'fail' and Mrs Marron confirmed that is the case.</p>	
41/22	<p><u>Confidential Matters</u> There were no confidential matters.</p>	
42/22	<p><u>Dare of the next meeting</u> The date of the next meeting was confirmed as Monday 6th March 2023 at 2.00 pm</p>	

Summary of Actions:

Ref:	Action summary	By whom
34/22	Add ESFA Financial Dashboard to future agenda	NJW
36/22	Share the full <i>Annual Accounts and Financial Statements 2021-22</i> with the Committee.	LJM
39/22	Add policies for review to future agenda	NJW