



## Finance & Assets Committee

### Minutes of the Meeting held on

**Monday 28th November 2022 at 4.30pm**

#### **via Microsoft Teams**

**Present:**

Andrew Unitt (Chair)	(AU)	)
Andrew Simpson	(AS)	) External Governors
Carole Thorogood	(CT)	)
Steve Wooler	(SW)	)
Janet Smith	(JS)	) CEO and Principal

**In attendance:**

Andy Comyn	(AC)	Deputy CEO / CFO
Gary McGinty	(GM)	Director of Estates and Facilities
David Neilson	(DN)	Director of Finance
Rich Williams	(RW)	Director of MIS and IT
Rachel Robson	(RR)	Director of Governance
Jo Welham	(JW)	Governance and Corporate Support Manager
Mike Firth	(MF)	DfE

1	<b>WELCOME &amp; APOLOGIES</b> <b>021</b> Apologies were received from Andrew Simpson.
2	<b>DECLARATIONS OF INTEREST</b> <b>022</b> Janet Smith declared the following interests: <ul style="list-style-type: none"><li>• CEO/Principal Nottingham College</li><li>• Trustee and Board Members of Skills and Education Group (SEG), awarding organisation and charity</li><li>• Ofsted Inspector</li><li>• Member of D2N2 LEP Principals' Group</li></ul> No other interests were declared.
3	<b>MINUTES OF THE PREVIOUS MEETING</b> <b>023</b> The Committee <b>resolved</b> that the non-confidential and confidential minutes of the meeting held on 3 <sup>rd</sup> October 2022 (distributed together as F&A.281122.002) be approved as a true record.
4	<b>ACTIONS AND MATTERS ARISING</b> <b>4.1 Action Tracker</b> <b>024</b> The open action tracker (distributed as F&A.281122.003) was reviewed:

	<p>27.06.22 Action 1 Accounts for 22/23 will include KPI slide. Update made to management accounts for this meeting, action complete.</p> <p>27.06.22 Action 4 Accounts for 22/23 will include progress measure. Update made to management accounts for this meeting, action complete.</p> <p>03.10.22 Action 1 Percentage of staff responding to be added to survey data. Not due until surveys next reported on.</p> <p>03.10.22 Action 2 Pay issues to be updated at every meeting. Underway, action to be removed from tracker.</p> <p><b>4.2 Matters Arising</b></p> <p><b>025</b> There were no matters arising.</p>
<b>5</b>	<p><b>MANAGEMENT ACCOUNTS</b></p> <p><b>5.1 Management Accounts P3</b></p> <p><b>026</b> DN took governors through the headlines of the period 3 (to end October 2022) management accounts (distributed as F&amp;A.281122.004). Key points highlighted:</p> <ul style="list-style-type: none"> <li>• Edits have been made in line with the actions from the tracker taken under Item 4.1</li> <li>• Narrative duplication has been removed, further small refinements will be made on items including capital project detail</li> <li>• A new KPI slide has been included, as has an EBITDA variance chart to show actual against budget.</li> <li>• Balance sheet – cash was higher than budget at October month end.</li> </ul> <p><b>027</b> A governor asked how the current position compares with the previous two years. AC responded that there are variances, but these are due to timing rather than actual differences. Another governor suggested that phasing of the budget could be considered in light of this.</p> <p><b>028</b> One governor asked whether the college expects AEB enrolments to be reduced over the year due to current economic pressures. AC responded that where there are economic pressures, then apprenticeships were normally affected more than other funding streams. Apprenticeships had so far recruited ahead of target this year but was starting to slow. It is not clear whether this is related to economic pressures.</p> <p><b>029</b> In response to governor questioning, AC confirmed that not realising income is on the college risk register. AC explained that the KPIs and headline information that are new features of the management accounts format will enable governors to see areas of risk and how the college is mitigating these. A governor commented that the pay cost to income ratio was high. DN responded that this would improve over the year.</p> <p><b>030</b> AC invited governors to give feedback on the way the accounts are presented. A slide giving greater detail on capital expenditure will be added in before the next meeting of the committee.</p> <p><b>Action</b> – AC to add detailed capital projects information into the management accounts from P4 onwards.</p> <p><b>5.2 Enrolment update</b></p> <p><b>031</b> The committee received the enrolment update (distributed as F&amp;A.281122.005). Key points discussed were:</p>

	<ul style="list-style-type: none"> <li>• Total enrolled students for 22/23 is expected to finish just above the recovery plan target</li> <li>• Conversion of applicants to enrolled students improved for 22/23, with further improvement of conversion and progression planned for 23/24</li> <li>• Progression has also improved for 22/23 due to improvements in making offers, advice and guidance and greater keeping warm activity.</li> </ul> <p>The Chair commended the college on the increase in applications, conversion and retention for this year.</p> <p><b>032</b> A governor asked about whether government prioritisation of skills-based education will lead to opportunities for the college to develop new courses and entice new students. AC confirmed that the college is working with stakeholders to capitalise on all available opportunities locally. The outcome of the ONS review of whether colleges should return to the public sector may make the government position clearer.</p>
<b>6</b>	<p><b>RECONCILIATION JULY MANAGEMENT ACCOUNTS AND YEAR END ACCOUNTS</b></p> <p><b>033</b> The committee received the reconciliation report (distributed as F&amp;A.281122.006). The July management accounts and year end accounts reconciled other than a late adjustment to reflect an accrual for the Harpur Trust liability that has caused a £100k variation in EBITDA. The statutory accounts reflect FRS 102 adjustments and the gains arising from fixed asset disposals, the PFI lease termination and investment property revaluation.</p>
<b>7</b>	<p><b>ANNUAL ACCOUNTS</b></p> <p><b>7.1 Annual accounts for 21/22</b></p> <p><b>034</b> The committee received the annual accounts for 21/22 (distributed as F&amp;A.281122.007). As with the accounts reconciliation, the annual accounts match the management accounts from 31 July 2022 other than the late adjustment detailed above. There was a significant increase in total comprehensive income over 21/22 due to an actuarial gain. The College's Annual Accounts and Financial Statements have been prepared on a going concern basis.</p> <p>The committee <b>resolved</b> to recommend to the Audit Committee that it recommends the accounts to the board for approval.</p> <p><b>7.2 ESFA Finance Record</b></p> <p><b>035</b> The committee received the ESFA finance record (distributed as F&amp;A.281122.008), the format of which is prescribed for benchmarking purposes. There is a slight discrepancy in EBITDA in the spreadsheet when compared with the annual accounts, due to £11k of interest received being reported as interest, thereby reducing EBITDA in the finance record. Using the ESFA points system, the college achieves 150, which is a requires improvement grade. This is an improvement from last year.</p> <p>The committee <b>resolved</b> to recommend the ESFA finance record to the board for its approval.</p>
<b>8</b>	<b>ESFA COLLEGE FINANCIAL FORECASTING RETURN 2022 to 2024</b>

	<p><b>036</b> The committee received the ESFA confirmation of financial health for 22/23 and finance dashboard (distributed by email as F&amp;A.281122.009). This includes similar information to the ESFA finance record and forecasts until 2024.</p>
<b>9</b>	<p><b>HEALTH AND SAFETY</b></p> <p><b>9.1 Health and Safety annual report</b></p> <p><b>037</b> The committee received the Health and Safety annual report, policy and statement (distributed as F&amp;A.281122.010). Overall the report shows an improvement in Health and Safety in 21/22 compared with 20/21. There were fewer accidents reported and more of these were minor.</p> <p><b>038</b> A governor commented that it would be useful to have trend data included in the report, as well as any available data that enabled the college to benchmark its Health and Safety against others. Another governor asked about the tabulated data relating to incidents that had been submitted to the Health and Safety committee but was not attached to this report.</p> <p><b>Action</b> – GM to append incident data previously submitted to the Health and Safety committee to the annual report for submission to the board at its December meeting.</p> <p><b>039</b> One governor asked about near miss reporting. GM responded that near misses are reported but it is not clear how rigorously as numbers are very low. The committee acknowledged that Health and Safety reporting and compliance was being re-established over 21/22 as everyone came back to work in person.</p> <p><b>9.2 Health and Safety policy and statement</b></p> <p><b>040</b> The committee received the Health and Safety policy and statement (distributed as F&amp;A.281122.010). Updates to the policy were minor and only role titles have been updated in the statement.</p> <p>The committee <b>resolved</b> to recommend the Health and Safety policy and statement to the board for approval and signature.</p>
<b>10</b>	<p><b>MIS</b></p> <p><b>041</b> The committee received the progress update on the MIS delivery plan (distributed as F&amp;A.281122.011). The teacher dashboard has been released and will be further improved over 22/23. The latest iteration of the customer survey for IT/MIS has been released and will be open until the end of January 2023.</p> <p><b>042</b> Governors are keen to support the new HR, payroll and finance systems implementation. It was suggested that priority areas are presented in the implementation report so that governors can lend college management support most usefully. RW explained that the governance of the HR, payroll and finance systems projects was sound, involving managers and end users from IT and People Services. Implementation of the new systems will take place over 3 months with a combination of college and supplier staff.</p> <p><b>Action</b> – RW to provide the top 5 risks and impacts in relation to ongoing MIS projects in future update reports.</p>
<b>11</b>	<p><b>IT</b></p> <p><b>043</b> The committee received the update on progress with the IT action plan (distributed as F&amp;A.281122.012). The college continues to work towards Cyber Essentials, although its achievement will become more stringent from January</p>

	<p>2023. Working towards Cyber Essentials is a requirement of ESFA funding. Multi-factor authentication will be piloted for learners over 22/23.</p> <p>A governor asked about legacy servers and RW explained that are still a few servers and old end point devices but these are being decommissioned.</p> <p><b>044</b> RW reported that the next set of IT/MIS survey results will be reported on at the March 2023 committee meeting.</p>
<b>12</b>	<p><b>ESTATES</b></p> <p><i>This item was minuted as confidential.</i></p>
<b>13</b>	<p><b>REVIEW OF RISKS</b></p> <p><b>045</b> The committee received and noted the finance and resources sections of the risk register (distributed as F&amp;A.281122.014).</p>
<b>14</b>	<p><b>AOB</b></p> <p><b>046</b> There were no items of AOB.</p>
<b>15</b>	<p><b>DATE OF THE NEXT MEETING</b></p> <p><b>047</b> The date of the next meeting was confirmed as Monday 30<sup>th</sup> January 2023 at 4.30pm. The Chair closed the meeting at 6.25 pm.</p>