



Finance & Assets Committee

Minutes of the Meeting held on

Monday 30th January 2023 at 4.30pm

via Microsoft Teams

Present:

Andy Griffin	(AG))	External Governors
Carole Thorogood	(CT))	<i>from item 5.1</i>
Andrew Simpson	(AS))	
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

1	WELCOME & APOLOGIES 052 Apologies were received from Andrew Unitt. Noted that vice chair, AS, to chair.
2	DECLARATIONS OF INTEREST 053 Janet Smith declared the following interests: <ul style="list-style-type: none">• CEO/Principal Nottingham College• Trustee and Board Members of Skills and Education Group (SEG), awarding organisation and charity• Ofsted Inspector• Member of D2N2 LEP Principals' Group No other interests were declared.
3	MINUTES OF THE PREVIOUS MEETING 054 The Committee resolved that the non-confidential and confidential minutes of the meeting held on 28 th November 2022 (distributed together as F&A.300123.002 and 003) be approved as a true record.
4	ACTIONS AND MATTERS ARISING 4.1 Action Tracker 055 The open action tracker (distributed as F&A.300123.004) was reviewed:

	<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>28.11.22 Action 1 Capital projects information now in management accounts. Action complete.</p> <p>28.11.22 Action 2 Health and Safety Report updated ahead of December Board. Action complete.</p> <p>28.11.22 Action 3 Top 5 risks and impacts included in MIS report. Action complete.</p> <p>4.2 Matters Arising</p> <p>056 There were no matters arising.</p>
5	<p>MANAGEMENT ACCOUNTS</p> <p>5.1 Management Accounts P5</p> <p>057 AC took governors through the headlines of the period 5 (to end December 2022) management accounts (distributed as F&A.300123.005). Key points highlighted:</p> <ul style="list-style-type: none"> • Accounts raise potential of not achieving budgeted EBITDA. AC summarised the income streams currently below budget. • Staff costs are above budget • Non-pay costs are below budget • Discussions have taken place at ELT and CMT to implement actions to achieve delivery of the full year budget EBITDA. AC detailed the actions in place or being put into place to aid the delivery of the EBITDA target. <p>058 The committee raised queries on the actions being taken. AC updated on delivery of AEB, noting that in 2021/22 the ESFA had paid up to 110%, this is yet to be confirmed for 2022/23. Governors questioned whether it would be possible to deliver 110%, AC confirmed that work was underway with Heads of Centre to increase delivery. A governor suggested that work should be undertaken to deliver over and above the gap identified as there was always a risk that a mitigation action would not be successful. AC highlighted the work underway on non-pay costs and the delivery of small group tuition support. A governors queried why this issue had arisen at this point. AC advised that governors had been aware at the point of the approval of the budget that headroom would be limited. Governors further considered the mitigations in place. The impact of the wider economic climate on recruitment was noted. The potential impact on covenants and the financial health of the college were noted.</p> <p>059 A governor queried the pay to income ratio noting that this had gone up, they queried the actions in place to reduce this. AC confirmed that he anticipated that this would fall below 70% by year end. The need to deliver an additional 40 hours for 16-19 and the investment made in wellbeing were highlighted. AC advised governors on the role of the weekly staffing panel and noting that this would need to exercise increased constraint moving forward. The need to keep a tight control on agency spend was emphasised. AC confirmed that work was underway with MIS and IT to improve staff utilisation.</p> <p>5.2 Enrolment update</p> <p>060 Governors received the enrolment report (distributed as F&A.300123.006). AC took governors through the report. Confirmed 2022/23 16-19 learner numbers and the impact on income for 23/24 was noted, AC confirmed that as planned this would fund the incremental progression payments for all staff from September 2023, which the college committed to as a part of the pay and recognition exercise agreed with unions in April 2022. The enrolments achieved in 2022/23 were not sufficient to fund extra pay awards. AC confirmed the enrolment target</p>

	<p>for 2023/24. Governors queried how this level of enrolments would be achieved, AC confirmed plans in place to increase internal progression.</p> <p>5.3 Pay and recognition</p> <p>061 The committee received the report on pay and recognition outlining the current position (distributed as F&A.300123.007). AC emphasised the wish of the college to recognise and reward staff fairly whilst noting that the terms of the recovery plan agreed with lenders in February 2022 remain in place. Governors noted the impact of the upcoming rise in the national minimum wage and the need to ensure differentials between managers and the staff that report to them. The impact of the macro-economic environment, investments into pay already committed to and the likely impact of the recent ONS decision were also noted. Governors reflected on the need to be open and transparent with staff and unions on what the college wants to do and on what is possible. The need to maintain a positive working with unions was highlighted.</p>
6	<p>MIS</p> <p>062 The committee received the progress update on the MIS delivery plan (distributed as F&A.300123.008). RW confirmed that work to develop and increase usage of the Power BI Teacher Dashboard was ongoing. Implementation of the new HR and payroll system remains on track, governors queried the position with the potential gap in moving to the new system. RW confirmed that this issue had been satisfactorily resolved with the outgoing provider who had agreed an extension of the current licence. As previously requested by the committee, the top 5 key risks and mitigations in place were highlighted within the report. .</p>
7	<p>IT</p> <p>063 The committee received the update on progress with the IT action plan (distributed as F&A.300123.009). The college continues to work towards Cyber Essentials, RW highlighted the outcomes of the recent internal audit.</p> <p>064 Governors reviewed the progress against the IT strategic plan. A governor questioned the RAG rating used. Action: RW - RAG rating reporting on progress against IT strategic plan to include actual progress not just progress against planned end date.</p>
8	<p>ESTATES</p> <p>065 GM presented the estates development update report (distributed as F&A.300123.010). Governors received an update on key projects. The impact of rising costs due to inflationary pressures was noted. GM confirmed that contracts will need to be issued for projects, further detail will be shared at the next meeting.</p>
9	<p>REVIEW OF RISKS</p> <p>066 The committee received and noted the finance and resources sections of the risk register (distributed as F&A.300123.011).</p>
10	<p>AOB</p> <p>067 There were no items of AOB.</p>
11	<p>DATE OF THE NEXT MEETING</p> <p>068 The date of the next meeting was confirmed as Monday 20th March 2023 at 4.30pm. The Chair closed the meeting at 6.05 pm.</p>