

## Minutes of the Finance and Resources Committee Meeting

**Held Tuesday 25 June 2024**

*Present* Andrew Hanson (*Chair*), Jacquie Carman (*Principal*), Joanne Chilton, Stuart Fisher and Alison Jarrett

*In attendance* Andrew Woodford (*Vice Principal, Chief Finance Officer*)  
Jennifer Sunter (*Clerk to the Corporation*)

<b>1</b>	<b>Apologies for Absence</b>
	Apologies were received on behalf of Shabir Chagan and Mark Hammond.
<b>2</b>	<b>Declarations of Interest</b>
	There were none.
<b>3</b>	<b>Minutes</b>
<b>3.1</b>	<b>Minutes of the Finance and Resources Committee held 13 March 2024 and Matters Arising.</b>
	<p>The Minutes of the Finance and Resources Committee held 13 March 2024 were approved as a correct record.</p> <p>Under Matters Arising:</p> <p>From meeting held 27 June 2023, under item 4.2a Review of Current Year Budget and Update of Risks, regarding pay costs and pay spine modelling, combined with item 4.4a Staff Pay, there were ongoing considerations regarding pay. Jacquie Carman reported that while the AoC had delayed their pay recommendation the College had drafted a response to the Heads of Claim from the recognised trade unions. This would be shared with them in July and demonstrated the College's proactive approach.</p> <p>Under item 4.3a from 13 March meeting, regarding Estates and Capital Projects Update, Andrew Woodford reported on progress and continuing communication with Walsall Council.</p> <p>Actions were updated and remained ongoing.</p>
<b>4</b>	<b>Financial Performance Current Year</b>
<b>4.1</b>	<b>Management Accounts: College and Halesowen College Enterprises Limited</b>
	<p>Andrew Woodford outlined the key headlines from the Management Accounts position, as at the end of April 2024. Pay budget savings through vacancies was offset by agency fees, EBITDA and cash balances were impacted through capital development and the inability to borrow.</p> <p>Members discussed how cash reserves would be further impacted as the capital developments were followed through, asking questions about cash days in hand and materiality of debt to the College. The most impactful element was recognised as not being able to draw down a capital loan and Jacquie Carman reported that the sector was making it clear to the Government that this position was not tenable.</p> <p>A member sought clarity on the College's EBITDA, cash days in hand and financial resilience. Jacquie Carman and Andrew Woodford outlined that the</p>

	<p>Corporation had made a strategic decision to use finances to address key issues of quality, staffing and estates to move the College forward. The planned approach recognised the impact on financial health and the forecast for rebuilding greater financial resilience, as while the College remained above the sector benchmark for cash days in hand, the current levels were outside the appetite.</p> <p>It was noted that the developing key performance indicators dashboard would be key in monitoring performance going forward.</p>
<b>4.2</b>	<b>Final Review of Current Year Budget for 2023/2024</b>
	<p>Members considered the final review of the current year budget, noting that there should be a slight increase in surplus at end of year.</p> <p>It was noted that T Level in year clawback was addressed and that Apprenticeships remained the most significant challenge.</p> <p>The Chair asked about the level of agency staff and Jacquie Carman confirmed that recruitment had much improved, however some posts remained difficult to fill.</p>
<b>4.3</b>	<b>Estates and Capital Projects Update</b>
	<p>Andrew Woodford provided a positive update on estates projects. It was noted that:</p> <ul style="list-style-type: none"> <li>✚ Trinity Point was almost complete and would soon be ready to receive Digital and Media staff.</li> <li>✚ The contractor for Shenstone House had been appointed and the College had approached the Department for Education for potential funding.</li> <li>✚ Work on Block 9 at Whittingham Road was on track for completion by mid-September for Hair and Beauty.</li> <li>✚ The planned IT refresh had been undertaken and new equipment distributed.</li> <li>✚ The Levelling Up project at Pool Road was under discussion.</li> </ul>
<b>4.4</b>	<b>Value for Money Report</b>
	<p>Members considered the wide variety of value for money measures. Work on EBITDA and on class sizes were noted.</p> <p>It was also noted that following work on retention and attendance there were improvements to both. The Students Curriculum and Quality Committee had questioned the success of the transformational project on attendance and it was reported that the hard work had garnered a small reward, but that in comparison with other Colleges it appeared to have halted what could have been a greater decline.</p> <p>Jacquie Carman noted that the AoC had published many reports and position statements which needed to be reviewed in early autumn. The College was reporting against the local and regional position and the key performance indicators would be monitored monthly.</p> <p>A member asked that as many of the measures were amber or red rated, should the measures be revised. Andrew Woodford responded that measures were reviewed annually and EBITDA had been revised, that the granular reporting was less stark and that the College retained performance targets which reflected its ambition.</p>

	<b>Action 4.4a</b>	Members asked that future reports be clear regarding satisfaction levels of the economic not the residential community.
		<b>Subsidiary Company</b>
	<b>4.5</b>	<b>Halesowen College Enterprises Limited Business Plan and Memorandum of Understanding and Gift Aid.</b>
		<p>Members received the Business Plan and the Memorandum of Understanding between the College and Halesowen College Enterprises Limited, (HCE Ltd). The Company had approved that profit be gift aided to the College.</p> <p>Andrew Woodford explained and members discussed the complexities of the required accounting treatment between College and Company.</p> <p>Members asked that values be included in the budget.</p> <p>Members also discussed the College development of an 'umbrella' website which would enable areas such as the Bistro to have its own direct site to better support access and business.</p>
		On the recommendation of the HCE Ltd Board and College Finance and Resources Committee the Corporation be asked to approve the accounting treatment of the Gift Aid covenant and note the technicality of the write off/letter of comfort which has arisen from the reclassification.
	<b>5</b>	<b>Financial Planning</b>
	<b>5.1</b>	<b>Funding Update (presentation)</b>
		<p>Members received a power point presentation on the key headlines of funding for the College. Key points included:</p> <ul style="list-style-type: none"> <li>✚ 1.89% increase on Element 1 of 16-18 study programmes, but no increase on Elements 2 and 3 since 2013, which impacted on learners with SEND.</li> <li>✚ Core programme Maths and English Funding had been banded with reduced rates for those students on a reduced main College course.</li> <li>✚ T Level industry placement funding was subject to in year clawback.</li> <li>✚ The Teachers' Pension Scheme was being funded.</li> <li>✚ There was no increase in Student Financial Support</li> <li>✚ Adult funding allocation remained complex, however the College worked with the WMCA and sought to maximise opportunities through local flexibilities.</li> </ul> <p>Members discussed the low level allocation of student support at £2.53 and that the College currently subsidised this to £4.50, noting that this still seemed insufficient to meet the needs of some students.</p> <p>Members also noted the range of opportunities to be explored under adult funding.</p>
	<b>5.2</b>	<b>Curriculum Costing Update</b>
		<p>Andrew Woodford reported that the College had now invested in software to support this key annual review of costing the curriculum.</p> <p>There was a step change in developing budgets with Heads of Department and helping staff to understand the commercial aspect of delivery.</p> <p>Contribution levels from some small discreet areas including Elected Home Educated provision needed to be viewed differently. It was noted that EHE had a waiting list which was impacted by the closure of a local provider's EHE provision. The College had contacted the DfE regarding its contract and support.</p>

		<p>Regarding ESOL provision Jacquie Carman reported that the College was collaborating with other local providers to create an area model that would further address the skills agenda.</p> <p>The Chair highlighted that on the whole curriculum costing was improving. The current report would need to be revised following student enrolment.</p>
	<b>5.3</b>	<b>Financial Handbook Presentation</b>
		<p>Andrew Woodford gave a power point presentation on the new Financial Handbook, which had expanded on the bite sized guidance provided on Managing Public Money, following Colleges' reclassification to the public sector. It particularly covered the role of the Audit Committee.</p> <p>The College was well positioned in that Financial Regulations and associated approaches had been updated and, overall, reflected the new handbook. Members discussed that a financial return in March may still be introduced but the end of year date for the sector was so far unchanged.</p>
	<b>Action 5.3a</b>	Members would be provided with a training session on funding and the new Financial Handbook.
	<b>5.4a</b> <b>5.4b</b>	<b>Three Year Financial Plan</b> <b>Proposed Budget 2024/2025</b>
		<p>Andrew Woodford prefaced the budget and forecast reporting with an understanding that the imminent General Election could have significant impact.</p> <p>The College would submit its CFFR to the ESFA by the end of July deadline and this would reflect the budget and forecast approved by the Corporation. The budget would then be subject to the normal process of review, with the first reiteration in November, when the political landscape would be set.</p> <p>Members considered income, which had increased under the 16-18 lagged model, the increased T level funding, which was modelled against conversion of applications into enrolments, WMCA funding and a small increase in Apprenticeships.</p> <p>Pay and non-pay budgets were considered including the planned decrease of agency fees.</p> <p>Members discussed the narrative for the forecast which followed a prescribed format and noted that the budget provided reflected the Annual Plan and targets being provided to the Corporation.</p>
		The Finance and Resources Committee recommended to the Corporation approval of the 2024/2025 Budget and the Three Year Financial Plan and Commentary.
	<b>6</b>	<b>Review of Strategy/Policy/Framework documents</b>
	<b>6.1</b>	<b>Treasury Management Policy</b>
		<p>Andrew Woodford reported on minor updates to the policy and members discussed that the policy only be returned following material change.</p> <p>A member checked points of clarification regarding use of UK banks only and both potential to and criteria for awarding loans.</p>
		The Finance and Resources Committee approved the revised Treasury Management Policy subject to minor revisions.

<b>6.2</b>	<b>Review of Student Financial Support/Procedures</b>
	The annual review of procedures, necessary to address changes to funding rules was provided. The College was increasing its support to £25 a week. Members discussed the document and were assured that the information and application procedures were provided in accessible and user friendly formats for students, parents/guardians.
	The Finance and Resources Committee approved the refreshed procedures for student financial support (as outlined in the Learner Support Procedures and Guidelines for 2024/2025) and noted the key aspects of the fund.
<b>7</b>	<b>Monitoring</b>
<b>7.1</b>	<b>Environmental and Sustainability Strategy Monitoring</b>
	Andrew Woodford highlighted the action plan which had been added to the Strategy and the Chair asked that outcomes be included. Andrew Woodford explained that the targets would be included in the Powerbi metrics pack.  Members asked about use of a baseline for energy consumption and noted that in addition to this the measure had been changed to measure per learner to avoid an overarching target being skewed by changes in learner numbers.
<b>8</b>	<b>Governance</b>
<b>8.1</b>	<b>Review of Committee Terms of Reference</b>
	Members considered minor updates to the Finance and Resources and Remuneration Committee Terms of Reference.
	The Finance and Resources Committee recommended the revisions to the Finance and Resources Committee and the Remuneration Committee Terms of Reference to the Corporation for approval.
<b>9</b>	<b>Any Other Business</b>
<b>9.1</b>	<b>Updated Financial Regulations</b>
	Members noted the minor updates to the Financial Regulations.
	The Finance and Resources Committee recommended the updated Financial Regulations to the Corporation for approval.
<b>10</b>	<b>Date of Next Meeting:</b> The next meeting was noted as scheduled for Wednesday 11 September 2024.

The meeting closed at: 7.55pm

Finance and Resources Committee – 27 June 2023			
4.2a	<b>Review of Current Year Budget and Update of Risks to the Budget Model (Funding Update) for 2022/2023</b> The Finance and Resources Committee tasked management to model the pay costs and impact to the pay spine for the first meeting of the Corporation in the 2023/2024 cycle, with a view to further consideration where appropriate by the subsequent Finance and Resources and Personnel Committees. <i>Reported under the March meeting:</i>	September Deferred to March 2024  Ongoing June/July 2024	JCa

	<p>Following early consideration, a further report to the summer term meetings of the Finance and Resources Committee and the Personnel Committee would be provided. With any necessary decisions provided for the Corporation.</p> <p>ONGOING</p> <p>June 2024; Reported as ongoing.</p>	September 2024	
<b>Finance and Resources Committee – 13 March 2024</b>			
4.3a	<p><b>Estates &amp; Capital Projects Update</b></p> <p>Following questions on charges against property it was noted that Walsall Council would be contacted regarding charges outstanding.</p> <p>June 2024; Reported as ongoing.</p>	<p>June 2024</p> <p>November 2024</p>	AWo
4.4a	<p><b>Staff Pay Scale</b></p> <p>More detailed reports were planned for the summer term meetings of the Committee and the Corporation.</p> <p>June 2024; Reported as ongoing.</p>	<p>June/July 2024</p> <p>September 2024</p>	AWo
<b>Finance and Resources Committee – 25 June 2024</b>			
4.4a	<p><b>Value for Money Report</b></p> <p>Members asked that future reports be clear regarding satisfaction levels of the economic not the residential community.</p>	June 2025	AWo
5.3a	<p><b>Financial Handbook Presentation</b></p> <p>Members would be provided with a training session on funding and the new Financial Handbook.</p>	September 2024	AWo/JS u