GRANTHAM COLLEGE
FINANCE & RESOURCES COMMITTEE MEETING

Minutes of the Meeting held on 19 June 2024, 17.00
Conference room and remote via Microsoft Teams

Present:

Mrs A Treacy	Finance & Resources Committee Chairman / General Member
Mr P Deane	Principal & Chief Executive
Mr N Manoussakis	Lay Member
Mr B Redfearn	General Member

In Attendance:

Mrs A Harrison	Director of Finance
Mrs C Temprell	Vice Principal – HR and Student Services
Mrs T Hart	Director of Planning, Funding, Information & Marketing
Mrs J Taylor-Holmes	Clerk

Agenda: The minutes record the order agenda items were considered.

1	**FC/24/114 - Apologies for absence** Apologies were received from Mr G Brewis, General Member and Mrs J Adams, General Member.	
2	**FC/24/115 – Confirmation of eligibility, quorum and declarations of interest** No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and there were no declarations of interest in agenda items.	
3 4 5	**FC/24/116 – Minutes of the Finance & Resources Committee held on 6 March 2024.** Subject to the amendment of the 'present' list and apologies for absence, the minutes of the Finance & Resources Committee meeting held on 6 March 2024 were approved as a true and accurate record. It was agreed that paragraph 107 would be reviewed. There was no urgent business notified.	
6	**FC/24/117 - Matters Arising** In relation to item 7, Mrs A Treacy, Finance & Resources Committee Chairman / General Member asked if the review had taken place. Mr P Deane, Principal & Chief Executive	

	explained that JISC had confirmed that this was not a requirement. It was agreed that the position would be would be monitored and if needed, it would be brought back to the Committee. It was noted that the Cyber Essentials had been completed.	
7	It was noted that Mrs A Harrison, Director of Finance was now circulating the monthly Management Accounts.	
8	In relation to the implementation of Teachermatic; Mr Deane explained that a presentation had been provided to the Standards Committee on 11 June. The implementation had been well received by staff and feedback from the Standards Committee meeting would be provided at the next Board meeting. There had been feedback from JISC on the implementation in the sector which had been well received. In relation to the effect on students from the interdiction of Teachermatic; it was suggested that the students may benefit from more engaging classes and recourses to support more innovative learning.	
9	In relation to the open and careers days and the impact. It was noted that the number of applications was similar to the same time last year which may indicate a sustained increase in 16-18 student numbers. Mrs C Temprell, Vice Principal – HR and Student Services explained that there was a more targeted approach being taken to schools where there was no sixth form provision. Committee members were referred to the advertising of the College which was in place, including the use of physical advertising boards locally and social media including Instagram and TikTok.	
10	In relation to demographics, Mr Deane explained that the numbers of 16–18-year-olds was increasing, the Vector tool was showing that the demographic was due to increase student numbers by around 50 students per year over the coming few years.	
11	Mrs Harrison explained that the Audit Committee would be considering the VAT review. It was noted that this related to an advisory comment on one of the internal audit reports. It was noted that this was expensive and the Committee would be asked to consider the value of this (in terms of potential income return).	
12	In relation to the sale of the North Lodge property; Mrs Harrison explained that there had been three viewings on the property and confirmed that the auction pack was being compiled. A reserve price of £180,000 had been put in place. Committee members approved the suggested boundary for the land included within the sale and	

	approved the completion of the pre-auction pack by Mrs Harrison. It was noted that all documentation would be signed by Mr Deane on behalf of the College.	
13	Mrs Treacy asked if there had been an improvement in relation to the debts outstanding. Mrs Harrison confirmed that this had amount been reduced to around £21,000. Mrs Harrison confirmed that the College still engaged the debt recovery agency, the Committee discussed the benefits of this. Mr Deane confirmed that the College was making steps to ensure that payments in relation to accommodation were made in advance, there was also a requirement now to ensure that the parents were signing the contract in relation to the accommodation costs and debt. It was suggested that a guarantor contract would be useful. This was discussed and similar to the arrangement in place.	
14	Further clarification was given around the Employer Advisory groups and the use and value of planning these for the Friday when staff were in.	
15	All matters arising were completed	
	FC/24/122 - HR dashboard	
16	Mrs Temprell provided the HR dashboard to cover the period March 2024 to May 2024. Comparisons to data last year were also provided.	
17	In relation to sickness absence; the rate was currently 2.9% overall, there had been a slight increase in absence costs; £36,721.89. It was noted that there had been an increase in members of staff on long term sickness.	
18	Mrs Temprell explained that there was an employee assistance programme and steps in place to support staff. Mrs Temprell explained that sickness was also challenging within the HR team.	
19	In terms of staff development costs, there had been a focus on internal training to keep costs low. Compliance in mandatory training was good; there would be a focus on GDPR and cyber security training compliance.	
20	Mrs Temprell explained that there was regular cyber security testing and following a recent test around 20 staff had responded to a phishing email. Targeted support and training would be provided to those staff.	

21	Mrs Temprell confirmed that there had been no disciplinary cases, two grievances raised and four capability cases were within the period.	
22	Mrs Temprell confirmed that the College headcount was just over 300 members of staff; the FTE headcount equivalent last year was 194, this had now reduced to 140. Every vacancy was being considered before recruitment was undertaken.	
23	In relation to turnover, this was 2.62%; last year 7.78%. there had been a reduction in leavers. It was agreed that this was positive.	
24	Mrs Temprell commented that there was an SLT away day planned which would look at how the College could improve efficiencies and support and thank staff. It was agreed that a celebration event and buffet for staff would be useful as this had been welcomed by staff previously.	
25	Committee members noted the data in relation to recruitment.	
26	Committee members discussed a separate measure in relation to the reporting of long term and short-term sickness. It was agreed that this would be included in future reports.	**Action: Mrs Temprell November 2024**
27	Committee members noted that recruitment and turnover targets had been achieved.	
28	**Resolved** – Committee members received the HR dashboard and update.	
	FC/24/118 - Finance Report including dashboard	
29	Mrs Harrison presented the Financial Report. The Report contained a number of appendices covering, Income and Expenditure Account for period ending 30 April 2024, Balance Sheet at 30 April 2024, Cashflow forecast to July 2024, Finance Dashboard, Debtors Report to 31 January 2024.	
30	As at the end of April 2024, the College was reforecasting an operating deficit of £184.6k. Earnings Before Interest Tax and Depreciation (EBITDA) is being predicted at £214.1k surplus or 2.28% of income which should result in a 'Good' financial health grade for 2023/2024. The above did not take into account sale proceeds from North Lodge.	
31	The Senior Leadership Team recommended deferring any decision in relation to pay increase to November 2024 when	

	the final outturn position for 2023-24 was known as well as student numbers for 2024-25.	
32	It was noted that the College was not spending all the adult education budget. This was being offset by the reduction in staffing costs to service the provision. Mrs Harrison confirmed that the College was looking at different approaches to encourage adults into the College and providing alternative qualifications. Mr Deane explained that the College was reviewing where adults were receiving education and whether this was recorded within different budgets such as the Multiply project.	
33	There was a discussion around allocations in adults and how this was provided. Mr Deane explained that, in future, the budget would be provided by the mayor. It was noted that the budget may be impacted and there may be changes in how this was administered. There was a significant discussion around the provision and how the allocation was provided and clawed back if not spent.	
34	In relation to HE income forecast, Committee members asked about the likely numbers and withdrawals. Mrs Harrison confirmed that there had been a small number of withdrawals.	
35	Committee members discussed the flexibility of support available for students in financial need and how students were supported.	
36	Mrs Treacy asked about Apple Tree income, it was noted that this would positive against forecast (due to afternoon tea) along with hair and beauty.	
37	Mrs Harrison reported that refectory and utilities costs had almost reached the full year budget which may provide a pressure.	
38	In relation to a staff pay increase, SLT had originally been thinking about 3% however, due to the challenges with achieving good financial health, SLT recommended that the decision be delayed until Autumn to allow this to be further considered. Committee members noted that a 10% pay increase had been provided in 2023. It was agreed that there may not be the ability to backdate the pay increase.	
39	Committee members noted that the inflation figures had been published which were lower in the lead up to the General Election.	
40	It was noted that the College had sold some assets which were not needed.	

41	In relation to the sale of North Lodge by auction; this would be held at the end of July and there were 56 days to complete. The buyer did have to pay a deposit however, there was the time to complete. It was agreed that the income would be accounted when the sale had completed.	
42	**Resolved:** Committee Members received the Financial Report to the 30 April 2024.	
43	*It was noted that the May 2024 financial report would be provided to the Board in July.*	
	FC/24/119 – Forecast out-turn for the current year and budget	
44	Mrs Harrison explained that the figures had now changed in the May accounts the deficient was £184,000 with the College still reporting good financial health.	
45	Mrs Harrison referred to the breakdown of variances and referenced within the May Management accounts which had been circulated.	
46	In relation to North Lodge, the original book value was thought to be in the region of XX.	
47	Committee members noted the draft forecast out-turn for July 2024.	
	Draft Budget	
48	Committee members discussed the operating surplus of £15,200 and whether this was prudent and realistic. It was agreed that it was useful to demonstrate an improving position.	
49	Mrs Harrison referred to the growth in 16-18 numbers and the allocation of adults; Rates changes for adults noted. Committee members discussed the assumptions.	
50	Mr Deane and Mrs Harrison confirmed the budget was relatively conservative in relation to the income; the income from bootcamps had been reduced; the income in relation to Multiply project had been agreed.	
51	Mr Deane commented that the fee increase agreed in relation to HE had been implemented and applications were running the same.	
52	Committee members noted the assumption that there was a reduction in utility costs.	

53	Committee members also discussed the College success in procuring income in relation to other projects.	
54	**Resolved:** Committee members recommended the forecast out-turn for the current year, budget for 2024/25 and 2 year forecast to the Corporation Board for approval.	
	FC/24/120 – Approval of Financial Policies	
55	Committee members noted that amendments to the Financial Regulations were recorded in the document margin.	
56	Committee members discussed the length of time between reviews of the Financial Regulations and Treasury Management Policies; it was agreed that these would be reviewed every two years (subject to the need to review sooner).	
57	Comments / discussions recorded as follows;	
58	4.5 – do we review banking services every 3 years – it was noted that this would not be done and this would be reviewed and possibly removed (limitations now in place with Managing Public Money guidance)	**Action: Mrs Harrison July 2024**
59	5.12 – asked how the procurement policy would be monitored. It was noted that this would be reviewed and approved by Board in July.	**Action: Mrs Harrison July 2024**
60	College credit cards – aksed if an annual report on items spent over a certain level (suggested over £1000) could be reported to the Audit Committee. Mrs Harrison confirmed that this was reviewed by the Auditors. It was agreed that this would be considered.	**Action: Mrs Harrison July 2024**
61	Restructuring payments – asked if these should be subject to Board approval / Chair approval. It was agreed that this would be considered (noting that currently only DfE approval).	**Action: Mrs Harrison July 2024**
62	Assurance for the Corporation – should this be via the Audit Committee 11.3.1 – checks done by the Audit Committee – members of the Audit Committee should ensure – how do the members ensure? It was agreed that this would be further considered. Item on the agenda that haven't agreed any leasing arrangements.	**Action: Mrs Harrison July 2024**
63	15.41 – around oversight – how is this undertaken? Maybe on the agenda once a year. Agreed could form part of the annual whistleblowing and fraud report to Audit Committee.	**Action: Mrs Harrison July 2024**

64	Treasury Management – do we have anything around surplus cash and interest. Mrs Harrison explained that the College did have a notice account which could provide this if needed. It was agreed that this would be considered and may provide some income for the College.	**Action: Mrs Harrison July 2024**
65	Role of Finance and Resources Committee about a review of banking providers / accounts. It was noted that Banking mandates had to be approved by the Corporation.	
66	Signing up to £1000 one from the list, two if above £1000. Discussed the levels and it was suggested that the second signatory should be in the finance team – It was agreed that this would be considered.	**Action: Mrs Harrison July 2024**
67	PC and hardware – up to seven years depreciation, seemed a long time. It was noted that this was a DfE requirement.	
68	**Resolved –** Committee members approved the Financial Regulations, Capital & Depreciation Policy and Procedures and Treasury Management Policy subject to the discussion / actions above.	
69	Committee members noted that the Procurement Policy / strategy would be presented to the Board in July.	**Action: Mrs Harrison July 2024**
	FC/24/121 - Estates & Capital update	
70	In addition to the information previously provided in relation to the sale of North Lodge, an update was provided in relation to RAAC (Reinforced autoclaved aerated concrete).	
71	Section removed due to commercial confidentiality	
72	It was noted that phase one was the engineering block, phase 2 was the link block.	
73	Committee members asked if there was a risk whether builders may find other problems as part of the work? Mr Deane explained that there had been comprehensive investigations undertaken and an architect involved.	
74	It was noted that there would be a requirement to go out to tender.	
75	Committee members noted that there were now temporary classrooms on site and being used and another five were due to be delivered.	
76	Committee members asked about student involvement in the projects and discussed the challenges around insurance	

	and trying to get the right governance arrangements in place to ensure students were safe and able to get involved in the project.	
77	Committee members asked about how the money would be paid, it was noted that this would be phased and hopefully up front to support cashflow.	
78	**Resolved:** Committee members received the update.	
	FC/24/123 – Relevant Sector Information	
79	Committee members discussed the following (publications received via email);	
80	RSM - Emerging Risk Radar AoC Finance & Funding Briefing 06.06.24 (including budget setting seeing as have election) CPC Procurement Bill Webinar slides – Mrs Harrison had also added the commentary to this and put Q&A's at the end so everything is in one document RSM - How the Procurement Act Affects You	
81	Mrs Harrison had broken down the contents of the FE Emerging issues document June 2024, it covered financial changes & updates but also - Economic Crime & Corporate Transparency Act - became law October 2023 Includes - 'failure to prevent fraud offence' and scope plus prosecution and unlimited fine Applies to all sectors but large organisations mainly in scope - meeting two of following Over 250 employees Turnover over £36million Over £18 million in total assets. Impact for colleges - many colleges will be in scope for new offence More detail was within the document	
82	More information on reclassification Procurement Act 2023 - What need to know Education & Sustainability ESFA Funding Streams Apprenticeship rules 24/25 Adult Skills Fund FE & Risk Management Impact of AI VAT & Building projects New Mental Health Charter Prevent Duty	

83	**Resolved:** Committee members received the update.	
	FC/24/124 - Financial Risks for consideration	
84	Mrs Harrison confirmed that there had been no changes since this was last discussed by the Committee.	
85	It was agreed that any changes would be highlighted in future reports.	**Action: Mrs Harrison November 2024**
86	In relation to new risks, the one in relation to leases which had been identified would be considered along with feedback received in relation to the Financial Policies. It was agreed that Mrs Harrison would discuss these at the next Risk Management meeting.	**Action: Mrs Harrison November 2024**
87	**Resolved:** Committee members considered the financial risks.	
	FC/24/125 Matters for Specific Report to the Corporation	
88	1. Received and reviewed the Finance report to end of January 2024 with all appendices. The College As at the end of April 2024, the College was reforecasting an operating deficit of £184.6k. Earnings Before Interest Tax and Depreciation (EBITDA) is being predicted at £214.1k surplus or 2.28% of income which should result in a 'Good' financial health grade for 2023/2024. The above did not take into account sale proceeds from North Lodge. The Committee agreed the postponement of the decision regarding staff pay increase to November when the outcome of the year end and student numbers were known. 2. The May position would be provided to the Board in July. 3. The budget was reviewed and recommended to the Board to approval. (on the Board agenda). 4. Received the HR update and noted that recruitment and turnover targets had been achieved, the Committee had asked for an additional breakdown of sickness absence information. 5. Estates & Capital update received. The Committee approved the plans and progress to auction for the North Lodge property (along with a reserve) 6. Received and considered a number of amendments to Financial Policies; Financial Regulations and Treasury Management Policy. Financial Regulations presented to the Board for approval along with the Procurement Policy / strategy. 7. Considered the financial risks to the College and asked the Risk Management meeting to consider the	

	addition of risks relating the leases (and any other risks arising from the amendments to the Financial Policies)	
89	**FC/24/126 - Urgent Business / Any other Business** There being no further business the meeting closed.	

Date of next Meeting:
Joint Audit and Finance & Resources Committee - Wednesday 27 November 2024, 6.00pm

Signed as a true and accurate record

Chairman
Date

Agenda Item	Description	By whom	By when
FC/24/122 - HR dashboard	Committee members discussed a separate measure in relation to the reporting of long term and short-term sickness. It was agreed that this would be included in future reports.	Mrs Temprell	**November 2024**
FC/24/120 – Approval of Financial Policies	Large number of actions in relation to the amendment of the Financial Policies.	Mrs Harrison	**July 2024**
FC/24/120 – Approval of Financial Policies	Committee members noted that the Procurement Policy / strategy would be presented to the Board in July.	Mrs Harrison	**July 2024**
FC/24/124 - Financial Risks for consideration	It was agreed that any changes would be highlighted in future reports.	Mrs Harrison	**November 2024**
FC/24/124 - Financial Risks for consideration	In relation to new risks, the one in relation to leases which had been identified would be considered along with feedback received in relation to the Financial Policies. It was agreed that Mrs Harrison would discuss these at the next Risk Management meeting.	Mrs Harrison	**November 2024**