



**MINUTES OF A MEETING OF
THE CORPORATION'S FINANCE AND RESOURCES COMMITTEE
4.00PM TUESDAY 4 OCTOBER 2022
Held in the Whatmoor Room, Main House**

Members:	Richard Barker; *John Bullen; *Henry Cox (co-opted); *Robert Lasseter; Graham Ledden (Chair); *Luke Rake (Principal); *Dee Vickers
In attendance:	Dan Knight (Chair of A*A Committee); *Anna Bowen (Finance Director); *Vanessa Gifford (Clerk)

** Indicates actual presence at this meeting [Quorum = 3 Committee Members]*

ITEM NO.	DETAIL	
1.	<p>DECLARATIONS OF INTEREST</p> <p>In the absence of the Committee Chair, the Corporation Chair took the chair for this meeting.</p> <p>There were no Declarations of Interest NOTED.</p>	
2.	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were NOTED from Richard Barker and Graham Ledden.</p>	
3.	<p>MINUTES OF THE MEETINGS HELD ON 21 JUNE 2022</p> <p>The Committee AGREED the minutes of 21 June 2022 as a true and accurate record, subject to a small typographical error, and APPROVED the non-confidential minutes for website publication.</p>	
4.	<p>MATTERS ARISING</p> <p>The following matters arising from the meetings of 21 June 2022 were NOTED:</p> <ul style="list-style-type: none"> • The principal had shared a breakdown of Student Numbers for September 2022 on GVO. • The security of the estate still had to be added to the Risk Register. The Principal added that there were benefits to just having a single relationship with bank. • The Chair added that he would still like to consider Pensions in due course, noting that the College was statutorily obliged to provide the Teachers' Pension Scheme. It was noted that the re-evaluation had been useful. The Principal advised that no other colleges had yet changed schemes due to the internal politics. It was agreed to add to AOB of the Corporation Agenda. 	LR

<p>5.</p>	<p>FINAL ACCOUNTS FOR THE YEAR ENDING 31 JULY 2021</p> <p>The Final Accounts for the year ending 31 July 2021 were considered and the following points NOTED:</p> <ul style="list-style-type: none"> • The Principal acknowledged that recruitment had not been as expected and further scrutiny would be given to forecasting and opportunities. He confirmed that the lower recruitment figure had been included in the Budget sensitivity analysis. • It was noted that £428K had been included in the final accounts for 2020/21, and £850K would now be incorporated into 2021/22. The Principal confirmed that he was confident the audits had scrutinised the accounts effectively for 2020/21 and 'Going Concern' could be confirmed for the next 12 months going forward. • It was confirmed that the College was below the threshold of £100K for sub-contracting in 2022/23, including the new contracts with the Princes Trust. • The Finance Director confirmed that the extension for submitting the accounts to the ESFA was 31 October 2022. • The Clerk requested that new governors be inserted in the list of members as it had to be up to the date of signing. • The Committee identified some typographical errors that required correction, including the Statement of Regularity, Propriety and Compliance on page 24 where it should read 'unable' rather than 'able'. • The Chair questioned the Red RAG rated audit opinion in the statement from the audit committee. The Principal advised that this had occurred around the time of the fraud. • The Clerk confirmed that she was scheduling the meetings to consider the 2021/22 final accounts and the Committee agreed with the plan. • It was agreed that the Management letter should be signed off by the A&A Committee. • It was noted that the KME Accounts had been signed off by the Directors following the bank re-financing and submitted to Companies House within the extended timescales. <p>The Committee AGREED to RECOMMEND the final accounts for the Year ending 31 July 2021 to the Corporation, subject to the recommendation of the A&A Committee.</p>	<p>AB</p> <p>AB</p>
<p>6.</p>	<p>DRAFT MANAGEMENT ACCOUNTS TO 31 JULY 2022</p> <p>The draft Management Accounts to 31 July 2022 were considered and the following points NOTED:</p> <ul style="list-style-type: none"> • The Auditors had advised that the £850k for the clawback, which was still under negotiation, should be incorporated within the accounts. It was noted that without the clawback in the accounts the EBITDA would be positive for the core business. The Chair requested that a paper be presented to the Corporation on EBITDA trends to highlight, with the clawback being an exceptional item. However it was still acknowledged that the College was spending more than its income. The Principal confirmed that the clawback would roll through every year until agreed, and it was worth noting that without it the College's financial grade would be 'Requires Improvement'. It was noted that the last communication from the DfE on the clawback was 29 April 2022. • Costs of £100K had been included for the re-financing. 	<p>AB</p>

	<ul style="list-style-type: none"> • It was confirmed that the VAT claim had not been included. • It was suggested that the College should consider a request to the DfE for re-profiling for the low point in cashflow in March 2023. It was agreed to start conversations in the November DfE meeting if it was considered to be necessary, noting that it was contingent on the progress of the sale of land and property. • The reasons for the variances to Budget were reviewed. • It was agreed that in due course it would be worth matching the conditional formatting to the Reserves Policy. • Cashflow was acceptable however the Corporation had to remember that there would be no capital receipts in 2022/23 to assist, so it would have to be carefully monitored. 	
<p>7.</p>	<p>STUDENT NUMBER REPORT</p> <p>The Student Number Report was scrutinised and the following points NOTED:</p> <ul style="list-style-type: none"> • The changing picture around the enrolments was explained, noting that a final figure for funding could not be confirmed until the census on day 42. • The allocation of 745 for 2022/23 was guaranteed, and it was hoped there would be growth from this figure for the lagged funding expected in 2023/24, and this would be confirmed in February 2023. • The Principal added that some additional numbers could be included from sub-contracting with the Princes Trust, but these students would be apportioned as they were across different ILR returns. • 19+ students were funded in year. • It was confirmed that a survey had been sent to all students who had applied but not enrolled to analyse the reasons, but so far the trend was transport costs and going into employment. It was also noted that the reason KMC was chosen was because of its reputation. • The Principal reported that many other colleges in his network were reporting a decline or neutral position with enrolments. • It was noted that the GRS Committee had recommended utilising the FEC tables for reporting student numbers so that members were clear in conversations with the FEC. Other data reporting methods would be used for internal use. • It was noted that the decline in Outdoor Education enrolments was probably down to local competition, and students choosing their local college rather than having to incur the cost of travel. It was also noted that that the growth in Animal, Welfare & Science and Agriculture would attract a higher weighting of funding due to their specialisms. • It was suggested that student growth was not fast enough and there had to be a wider discussion. The Principal advised that there would be further discussion at the upcoming Strategy Day, which would include thoughts around the transport tender. 	
<p>8.</p>	<p>DEBTORS REPORT</p> <p>The Debtors Report was NOTED with the Finance Director confirming that there were no bad debts at the end of the year.</p>	
<p>9.</p>	<p>CAPITAL PROJECT UPDATE</p> <p>The report from SG Associates had been reviewed by the Estate Committee, but was considered to also be useful for this Committee.</p> <p>It was acknowledged that the recent two major projects had been a lot of work</p>	

	but successful and built relationships. It was agreed that the consultancy of SG Associates had been good value over both projects.	
10.	<p>COMMERCIAL UPDATE</p> <p>The Principal advised that the performance of weddings and conferences was on budget, with the Barn and catering below. The decline in performance for the Barn was considered to be the extreme hot weather in August, or an over optimistic budget. The Principal advised that there were staffing issues for the catering team and he would share in more detail at the upcoming Strategy Day.</p>	
11.	<p>VAT CLAIM</p> <p>The Finance Director advised that the VAT consultant had been in college that day and there was no further update.</p> <p>The Finance Director detailed the three different lots that were considered to be due to the College from HMRC. There was one area that was accruing on the accounts that the auditors required further information on and the VAT consultant was pursuing.</p> <p>The Committee emphasised there were two major financial items outstanding with government departments and were out of the control of the College.</p>	
12.	<p>PROCUREMENT/TENDERS/VALUE FOR MONEY/CONSULTANCIES</p> <p>It was noted that in due course a value for money exercise would be undertaken on the new capital builds. The Principal advised that the Barn would be reviewed by the A&A committee in the spring.</p> <p>The Principal advised that work on the transport tender had commenced ready for the tender exercise in 2023.</p>	
13.	<p>PROJECT BID UPDATE</p> <p>The Principal confirmed that there were no project bids in progress.</p>	
14.	<p>COMMITTEE TERMS OF REFERENCE AND WORK PROGRAMME 2022/23</p> <p>The Committee Terms of Reference and Work Programme for 2022/23 were RECOMMENDED to the Corporation.</p>	
15.	<p>RISK MANAGEMENT</p> <p>The Committee considered any additional risks that had arisen during the meeting and the following points were NOTED:</p> <ul style="list-style-type: none"> • Security on the new loan • Cost of living crisis; the ability for student growth; and the impact on staff. 	
16.	<p>ANY OTHER BUSINESS</p> <p>No further business was NOTED:</p>	
17.	<p>MEETING DATES 2022/23</p> <p>The following dates were NOTED:</p>	

	<ul style="list-style-type: none">• 22 November 2022• 28 February 2023• 2 May 2023• 27 June 2023	
	<i>Meeting closed at 6.00pm with no further business.</i>	

APPROVED: 22 November 2022