



HUDDERSFIELD NEW COLLEGE FURTHER EDUCATION CORPORATION

Finance & Resources Committee held on Thursday 17th September 2020
from 5.00pm via Zoom.

Confirmed Minutes

Present: Ms A Needham (Chair), Mr J Dawson, Ms Williams, Mr D Watson, Mr P Cropper and Ms T Wright (100% attendance)

In attendance: Mr J Flynn, Ms J Thomas and Mr M Smith-Connor

Clerk: Mrs C Coupland

1. Apologies for Absence/ Declaration of Interest

There were no apologies received.

There were no declarations of interest recorded.

2. Minutes from Meeting held on 22nd June 2020

Resolved:

- That the minutes be accepted as a correct record

3. Matters arising

Health & Safety Policy;

It was confirmed that the H&S Policy has since been amended as required by the committee.

Maintenance Programme: progress update;

The committee was reminded that it had been confirmed at the Corporation Meeting (July 2020) that HNC had been unsuccessful in its CIF bid.

Management Accounts:

Ms Needham confirmed that both May and June Management accounts had been shared with the committee by email and posted on Moodle. No comments and/or questions had been directed to Mr Flynn in response to these.

Resolved

- That the management accounts for May 2020 and June 2020 be formally received.

COVID 19 Financial Return July 2020

Ms Needham explained that it had not been possible for staff to share the college's return in advance of its submission; however, all noted that the return did not require further corporation and/or the committee's approval given that it was to be based on the same sensitivities and assumptions as agreed by the Corporation in February 2020.

Financial Regulations

It was confirmed that on committee recommendation, the revised Financial Regulations had been approved by the corporation.

Business Travel and Expenses Policy

It was confirmed that the policy has since been amended, as required by the committee, and has now been implemented.

Insurance renewal

Mr Flynn confirmed that the renewal has been duly signed and returned.

Estates:

4. Capital Projects – verbal update

Ms Thomas appraised members of the campus improvements and developments undertaken to date to accommodate the growth in student numbers to 2,556 capacity. Members were advised that all works to date have been completed to budget and on time where possible given late start dates for some elements of the works due to COVID 19.

Resolved:

- **That the update be received**

5. Planned Maintenance Programme Review

Ms Thomas advised the committee that all works have been completed as required with the exception of the emergency lighting repair. Ms Thomas reminded members that such works had originally been planned to have been completed earlier this year but was delayed due to lockdown and has been rescheduled for October half term.

The committee sought assurance on the legal compliance of the outstanding work to be completed. Ms Thomas advised members that the college had been confirmed as safe by building control as an updated interim fire-plan is in place. Given the seriousness of the issues identified within the emergency works programme, the committee also sought additional confirmation as to how the Senior Leadership Team (SLT) planned to ensure that estate maintenance was to be properly managed going forward. Ms Thomas explained that in addition to the normal schedule of works; independent compliance and operational audits would also be undertaken to test staff checks and records within the key health and safety risk areas – asbestos, fire and legionnaires. Members were satisfied with this approach to be adopted and welcomed updates at future meetings.

Ms Thomas explained that initially an indicative costs of the most pressing emergency works needed, when first presented to the committee, was £100k and that it was agreed for the monies to be drawn from reserves. As per the management accounts presented today; with the exception of emergency lighting repairs (£30k), the cost of premises, compliance works are included in the revised £297k surplus for 2019/20 and it has therefore not been necessary to use reserves. Ms Thomas confirmed that the remaining £30k would also be covered by this surplus.

Resolved:

- **That the report be received**
- **For updates on the outcome of independent audits to be provided to the committee as and when available**

Health & Safety:

6. Health and Safety Year End Report DECEMBER 2019 – AUGUST 2020

Ms Thomas presented the H&S report to the committee on Mr Symm's behalf. The Committee noted that the report is in the same format as previous years, and is a summary of issues that have been considered by the College Health & Safety Committee during the academic year.

Ms Thomas initially drew members' attention to the COVID 19 update. It was noted that from 23rd March until 29th May 2020, members of the caretaking team and the Director of Estates attended the college site individually to undertake security checks, essential maintenance tasks and to allow for essential contractor attendance to facilitate monthly plant servicing. All campus attendance by other members of staff was approved by SLT, recorded and monitored. This was shared with the Estates team daily. On June 1st 2020 the college re-opened to allow the cleaning team to undertake a deep clean of the full campus. This allowed some staff to return where it was safe to do so and also for vulnerable students to be present on campus. All support staff were back on campus from 21st August and all teaching staff on 1st September.

To facilitate a safe full reopening of site for all staff and students, Ms Thomas explained that a COVID-19 risk assessment was completed and the college has implemented a number of safety control measures. Time was taken to consider the difficulties being encountered by senior leaders when accommodation planning given COVID 19 and its ongoing impact on capacity whilst social distancing rules continue. Committee members were also advised that the college's COVID 19 risk assessment had been presented to the Audit committee for review at its meeting next week. It was agreed worthwhile however to share it with this committee also.

Ms Thomas informed the committee that during the recent summer building works, it was discovered that the wall in the extended Costa Café area (old Finance office) is not fully fire safe with the adjacent room. The committee ascertained what fire safety action had been undertaken by the college until remedial work can rectify this. Ms Thomas explained that additional firefighting equipment has been placed in the room as a safety precaution and the fire plan had been updated to ensure staff and student safety. Ms Thomas also reported that all fire Marshalls are trained to use the equipment made available (extinguishers and blanket). The committee was satisfied with this response.

Ms Thomas went on to advise the committee that there have been no reportable incidents in the period February 2020 – August 2020. Time was taken to consider the annual log for accidents by area. Governors raised concerns as to accuracy of the data cited for 2018/19 given that zero incidents were recorded for 'off site / other' which looks extraordinary in comparison to other years. It was noted that inaccurate data in this area may miss alerts to possible safeguarding issues/patterns of concerns for certain students e.g. domestic abuse and neglect. Ms Thomas agreed to look into this with the new Director of Estates and Director of Safeguarding but all present were mindful that such records may not exist given the time lapse.

Ms Thomas also drew members' attention to the section of the report advising the committee that in February 2020 a full site survey of asbestos containing materials (ACMs) was undertaken. The college has been advised that the encapsulation date for

ACMs has passed and removal is now recommended. Quotes for the removal of ACMs at college have been received and since submitted to SLT for consideration. The works will be completed this academic year.

Resolved:

- **That the report be received**
- **For committee members to have sight of the COVID 19 risk assessment.**
- **Data entry for 2018/19 (section 4) to be checked with Director of Estate and Director of Safeguarding.**

Finance:

7. Latest Management Accounts : July 2020

M Flynn presented the management accounts for July 2020, the final month of the 2019-20 financial year, which will form the basis of the annual financial statements.

It was noted that the latest forecast surplus as at July 2020 of £297,298, significantly above the budget of £7,519. The major reasons for the above budget position were raised by Mr Flynn, majority of which related to the college being closed for part of the year resulting in:

- staff costs overall showing an underspend of £114k after use of contingencies
- significant saving against operating expenses of £312k
- savings against teaching departments costs (£101k) and against admin/central costs of £134k
- reduced cost of providing bus services (£132k)

Offset by:

- reductions in bus and lettings income
- reduced faculty expenditure (£52k) □ There was also a saving against Admin./central costs of £134k
- the total amount spent on COVID-19 remedial measures in 2019-20 was £32k
- All costs relating to 2019/20 pay awards have been accommodated within budget and are included in these management accounts.

The key draft outturn figure also takes into account the following:

- Gas and Electricity. The account is now up to date and charges for May, Gas and Electricity is considerably lower than the charges for May 2019 (Electricity lower by £2,661, Gas lower by £353).
- Catering. An agreed (but reduced) contract payment of £25k has now been received and this reflects College closure from March 2020. Because of significant uncertainty and expected poor trading conditions from September 2020 onwards, discussions are underway to vary the catering contract (temporarily) to ensure that catering provision can continue but on a reduced level. This will be on a cost plus basis for an initial period (4 months expected) with an estimated cost to the College in this period of up to £38k after receipt of a furlough bonus from the Contractor of £15k (may vary). Arrangements to monitor the financial performance of the contractor to protect the interests of the college are in place.
- College buses. Arrangements are in place for the provision of buses in 2020/21 on the same basis as 2019-20 with no increase in the charge per bus. Provision will be monitored closely to ensure that services run as smoothly as possible. Social distancing measures will be in place and there is some uncertainty about service up-take because of COVID-19.
- Excluding any contribution from reserves, premises costs show an adverse variance of £16,511. The additional maintenance/repairs required (covered by the Estates Emergency Fund) are initially held within Premises Costs and are then reviewed and re-allocated to the appropriate expenditure head (e.g. Capital). All of the costs associated with compliance remedial work have to date been covered by underspends against other budgets.

The committee noted that even with the current level of surplus, the college will still show a deficit position should the TPS subsidy not continue beyond 2020-21. Members were reminded that governors had acknowledged this when preparing the financial forecast back in February 2020. Should this be the case, the corporation accepted, at that time that the College would need to seriously explore further mitigations, including the possibility of becoming an Academy, to offset the deficit. Furthermore, financial forecasts and modelling have adopted a worst case scenario approach; with Governors recognising that the funding rate could be higher than £4,188 for 2021-22 and that with the buoyant recruitment and market share the funded student number level could also be exceeded. A growth in students has been planned for and this will generate extra income.

The committee welcomed the revised presentation and layout of information included within the commentary for the management accounts. Mr Flynn agreed that future versions would however more clearly address key salient points, especially with regards to budget variances, in order to better support governors' preparation and understanding. This proposed amendment was welcomed by the committee.

Resolved:

- **That the report be received**

8. Update on preparation for Year End Accounts

Mr Flynn explained to the committee about the work, which is underway to finalise the accounts of the College and prepare the Annual Report and Statement of Accounts (SOA) following the end of the 2019-20 financial year due for submission to the ESFA 31st December 2020. An extension of this deadline to 31st January 2021 has been announced because of COVID-19 but Mr Flynn explained that there were no plans to take advantage of this. The committee agreed with this view.

Mr Flynn advised the committee that the finance team would continue work on the accounts to arrive at a final trial balance (TB) for 2019-20. Once complete, the trial balance will be provided to auditors prior to audit starting in October. Figures from the final TB will be used to populate the accounts template within the SOA document.

Members were informed that the Statement of Accounts (pensions) note and figures will be finalised after receipt of the West Yorkshire Pensions Fund valuation. The valuation for 2019-20 is currently being prepared by actuaries and should be received before the end of September 2020. The valuation and supporting assumptions made provide the basis for the West Yorkshire Pension Fund liability figure that appears in the accounts (2019 pensions liability £4.120m). The actuarial assumptions made have already been received and shared with the Audit Team as part of the audit process.

Mr Flynn confirmed that the Principal, Clerk and Senior College leaders would all have input to the wording for the Annual Report & SOA document before this is subject to audit. The finance team are preparing a number of key working papers prior to the start of the annual audit of accounts as per the request received already from Wylie Bissett. As in previous years, working papers and supporting information is being provided to auditors through a secure portal.

Mr Flynn reminded those present that once the audit of accounts is complete and draft Annual Report and Statement of Accounts is available this would be considered by the Finance & Audit Committees before presentation to the corporation for approval and sign off by Wylie Bissett, Chair of the Corporation and Principal.

Resolved:

- **That the report be received.**

9. Bank Mandate

Mr Flynn confirmed the changes made /to be made to the colleges bank account signatories given changes to staff.

Resolved:

- **That the report be received.**

10. Any other Business.

The Clerk took this opportunity to remind governors of the need to complete and return the Corporation's skills audit and board evaluation review.

Furthermore, the clerk advised all committee members that the external audit returns are to be emailed and will need to be completed and submitted as soon as possible.

11. Learner Impact Reflection

The impact of discussions and scrutiny of the Committee's work in improving the outcomes and experience for all learners was considered and the following agreed:

- **Ability to financially support all elements of the strategic plan for the college.**
- **Ensuring the Financial viability of the college to continue to provide outstanding outcomes and learning experiences for future students.**
- **Ensuring that the college continues to be a safe learning and working environment for students and staff.**

12. Determination of confidentiality

It was resolved that all papers relating to agenda item 8 are to be deemed confidential until published – January 2021.

13. Date of next meeting: 10th November 2020 via zoom from 6.30pm (joint with Audit Committee)