

Meeting/Committee	Finance Committee
Date of meeting	16 th March 2021

1 Declarations of Interest and Eligibility

The Chair requested Governors declare any interests at the appropriate time during the meeting.

2 Welcome, introduction and apologies

Attendees:

J Pryke (Chair)
J Worsdale
M Rodzos
T Jackson

In attendance:

V Parkes
K Noble
T De'Ath

Director of Governance
Executive Director (ED) of Finance
Executive Director (ED) of Corporate Services

Apologies for absence:

J Austin

3 Minutes of the Finance Committee meeting held on the 28th January & 25th February 2021

Resolved: The minutes of the meetings held 28th January & 25th February 2021 were agreed as a true and accurate record.

4a Matters Arising for meetings held on 28th January & 25th February 2021

None noted.

4b Action Progress Report

The following comments were made in relation to the circulated APR:

Item 4 – needs amending as should actually be a review of the financial regulations . This will be circulated for consideration at the next meeting in May.

Item 7 – Complete

Item 9 – no longer a requirement

Item 14 - Needs adding to an internal document as the strategy is published

5 COVID-19 Update

The ED: Corporate Services gave a brief verbal update on the current situation across the Group in relation to COVID-19:

- Three test centres across the group: 2161 test conducted since 8th March with 5 positives results
- Home testing kits to staff and students have been issued
- Between Sept – March there have been 66 positive tests from a staff of 1000

6 Monthly Management Accounts (January)

The ED: Finance drew reference to the management accounts for January had been circulated for governor's consideration and invited questions. The highlights noted were:

- Forecast has been adjusted
- Cash is approximately £3m, boosted by the assets sales
- Covenants – positive position currently due to the repayment of the RCF in January
- Meeting with Andrew Tyley to discuss a new layout of management accounts in PowerPoint, testing the pilot

MR queried why on the balance sheet the budget is showing as high. The ED: Finance stated it is due to the timing of payments on account that we receive.

It was noted the comparison to the forecast is based on a previous version of the forecast and this has since changed.

7 Subcontracts

The ED: Finance stated that the ESFA have issued new guidance regarding subcontracting and have stated a number of proposals which require further consideration by the executive team.

16-19 delivery – need to inform them by end of May 2021

25%

Management fee??? Always been 25% but proposal is stating 20%

The chair queried whether we would need authorisation regarding distance and the actual parameter for distance i.e. region, mileage.

Action: The ED: Finance to ascertain what distance mean.

RMBC Community Subcontract

Recommendation to the main board for approval

Subcontracting Strategy

Approval of the changes highlighted in yellow. To be accepted by the board

Recommendation to the board for approval

8 Mid-year Financial Review & Reforecast

The ED: Finance gave an over

In year 16-18 allocation won't change

AEB £1/2million – unsure of the clawback (gone to the secretary state)
RISK 90%!!! Announcement to be made in next few days before purdah
Apprenticeship enrolments have been scrutinised, carrying income will roll into next year
Local authorities/Schools link
Provision in for loans – difficulties in getting learners to pay their fees (bad debt provision)
NFPC income
HE – provision made for some monies not coming through
Teacher pension funds reconciliation – recorded as other income

Pay Expenditure

Recruitment
Maternity

Increase in running costs (predominantly Dinnington), some covid related
Rawmarsh road now being kept

RISK – moved into requires improvement for financial health from being on the cusp of good

Cashflow strong although this is capital cash. Tight moving forward. Clawback will affect covenants. Need to keep a close eye on this. Video: 17.54

The chair queried how close to border line of good are we? The ED: Finance stated that if EBITDA can be improved to closer to 6% mark then that will significantly benefit. Need to ensure we don't spend unnecessarily and to maximise the AEB. Big concern – AEB income. The forecast is the worst case scenario

MR we need to remain positive that there won't be another lockdown but if there was there would be a hope that the Government would support. The cash position has improved compared to last year. JW stated that it was positive that the approvals were in there

Recommendation to the main board to approve

9 Review of Fees Policy

The chair queried the point about student finance will right off any page 8.
Learner recruitment point

Changes in legislation/process.

Happy to approve.

10 Capital Funding Bid

The ED: Finance went through the papers in detail with governors:

Two sections

Work bringing up to 2017

Work bringing up to 2021

Pay for a survey

3 applications; one for each site

Construction technology centre – smaller training

Read the business case - £5million (inc. VAT) cost

Approval sought to apply for the grant. At this stage there is no approval needed for spend.

Grant from SCR £3.5million

MR – If we get to the second stage can we afford to pay the £1million. The ED: Finance stated the match funding can come through various channels. Envisaged will bring an additional 100 learners (which equates to £0.5m)

JW – good, typos need rectifying in first few pages. Positive. Current site no student services, better to be on site.

Recommendation: approve at main board

Summary paper to the board by written resolution.

RISK – survey costs £50 -100k survey fees

Governor Response

11 Estates Report

The ED: Corporate Services gave an overview of the report submitted and highlighted the main areas of consideration as being:

- The Hub
- Gas test –
- Lidl revised planning application – still want to continue with works
- Dinnington revised HOTs received, hoping to res

The Chair sought further information regarding the revised HoT for the Dinnington site in regards to access required for any future planning needs. Need to watch the video 18.22

Youth centre back under the remit of RMBC

The Chair asked with the remaining land whether it would be beneficial to flatten the buildings on the balance of the land. The ED: Finance gave an overview of the buildings age, construction and interior furniture and fixtures. There are some security issues but with RMBC on site this will offer additional security.

Conditions works across the Group are on schedule and going to plan. The addresses the work identified as conditioning works in 2016/17. Additional conditioning work is needed to bring work up to 2021. Once completed this will allow for a stable conditioning works budget. Time: 18.30

12 Health & Safety

The ED: corporate drew reference to the circulated report and ask governors to note the areas of positive progress. The information given at the start of the meeting supersedes the data in the report regarding COVID testing and test centres.

13 Update on Risk Management Software Rollout

The ED: Finance stated that a meeting due to take place during the afternoon had unfortunately been postponed. Demo of the software due to take place in May hopefully.

14 Any other items of urgent business

None.

15 Date and Time of Next Meeting

Tuesday 29th April 2021

The meeting closed at 18:45

Signed _____ Chair

Date _____

