

MOULTON COLLEGE

FINANCE AND RESOURCES COMMITTEE

Meeting held on Monday, 2 December 2024 at 5.30pm in M6.

Present:	Ashley Clarkson	Independent Governor
	Charles Matts	Independent Governor
	Mark Wakeford	Independent Governor
	Mohamed Saeudy	Independent Governor
	Karen Squires	Independent Governor
	Oliver Symons	Principal
In attendance:	Alicia Bruce	Chief Operating Officer
	Faye Williams	Vice - Principal
	David Aldridge	Executive Director Human Resource
	Sarah Bunney	Finance Director
	Catherine Duro	Head of Governance
	Sana Mumtaz	External Auditor (Section A)
	Sue Hutchinson	External Auditor (Section A)

SECTION A – Joint receiving of accounts

1. Accounts and subsidiary accounts explained by the Finance Director and the various statements that needed to be sign off were highlighted.
2. The adjustments from the management accounts were explained. One from the audit, 35k not material but had chosen to make the adjustment and a holiday pay accrual as a special calculation annual adjustment would be made.
3. Presentation between note 10 and P&L was questioned. This was explained as an effect of the pension position. The presentation and accuracy were assured.
4. Performance materiality was questioned, it was confirmed that auditors worked to the overall materiality.
5. The treatment of the pension provision was questioned. It was confirmed that the presentation of the pension and the accuracy were both correct. This was agreed by the governors. The external auditor could sign off as presented, but they could be presented differently – this is not material or changes the presentation of the accounts, the user can follow them as they are written. An amendment would make them more complicated than is necessary for next year's presentation.
6. A few anomalies in the wording were highlighted and would be reviewed before being presented to the Board **(Action SB)**.
7. The Audit committee was happy with the audit report. A summary was requested for the F&R governors. Bring both papers to the shared section in future. **(Action CD)**
8. Letter of representation for the Board to review and approve for signing was requested from the Auditors **(Action)**.
9. **Resolved** that the accounts be **recommended by the Audit Committee** to the Board for approval.

SECTION B - ROUTINE ITEMS AND GOVERNANCE:

Apologies for absence

10. Apologies were accepted from Andrew Bailey.

Declarations of interest

11. There were no declarations of interest.

Minutes of last meeting

12. The minutes of the meeting held on **21 October 2024** were **approved** as an accurate record for publishing.

Outstanding Actions

13. The list was reviewed. No actions were overdue, all were progressing as expected and on the agenda for discussion.
14. The **sustainability baseline was received**.
15. It was **confirmed** that the data had been collated with care. The carbon tonnage had increased. It was **asked** if it increased in line with the increase in student numbers, an interesting question.
16. The volume of work to put these reports together was described as onerous. Across the college. The need for additional resource was shared. This will not be manageable to scope 3. Software was being demonstrated the following week, which would need some financial investment, but improve monitoring, analysis and the ability to identify areas for improvement.
17. It was confirmed it did not separate carbon use on the farm or any carbon offset on the farm.
18. It was asked if the cross-college sustainability meetings and communications were happening; was there timely progress. The first one was scheduled for later in the week. The group would then have project delivery groups to support acceleration in the pace of delivering on the project.

Faye left the meeting.

SECTION C – BUDGETING & FINANCIAL PERFORMANCE

Recruitment Update

19. Expecting to be able to put in a small growth in year funding request this year. Recruitment for next year a little behind where it was last year.
20. This time last year were recruiting to electrical which is no longer being offered, so explains some of the reduction. This was clarified as level 2. Governors were assured that recruitment was continuing for T Level - electrical, and the recent investment in resources would be beneficial.
21. Target and capacity columns not aligning – managers would review this (**Action ABr**)

Award of Student Bursary

22. It was asked how the 2024/25 investment in bursary would compare. Governors were informed it was aligned to student numbers, provided by the ESFA from a formula.

23. We can award more as a discretionary support. An increasing demand since covid was reported. We also have food parcels and other support available, for example heads of school have discretion to provide free school meal vouchers etc.

Quarterly Management Accounts and Cashflow

23. Taken as read, key points reiterated for governors.

24. Differences to the budget were explained.

25. It was explained that the Higher Needs costs had been driven up but the related income was yet to be received.

26. The impact of the government changes to the national living wage and NI employer contribution were discussed. The national living wage has been regularly reviewed and caused erosion of pay grade structure.

27. A capital project has been put on hold. The reasons for this were explained.

28. A governor challenged that reading the various papers, we were 5-10% behind the curve, just lagging behind where we need it to be, and just not catching up.

29. It was explained that we have management action plans to meet the challenges to address these gaps, including delaying capital expenditure and actively seeking into secure income figures, whilst managing expenditure costs as always.

30. It was asked if there were any farm subsidies due. Some applications have been submitted and expected, there was concern that this was a risk as many had been centrally frozen.

31. The significant in year challenge was recognised. Plans being developed for next year but also identifying from nonepay budgets where costs savings can be made. Including an IT development plan which will be presented to the board.

32. A lot of hard work is still needed to manage this and achieve a financial health score of 120, rather than 160. This has been discussed with the ESFA in a PIMS review meeting, they were understanding of this and accepting of the 120.

33. A capital repayment holiday extension on the loan would also be requested.

34. Commercial income targets should be considered.

35. Need clarity on what investment is going to drive growth.

36. The minimum cash position was discussed, it was recognised that March was the critical period.

37. The 1% pay award may not be affordable, but will need very careful communication, it could have consequences, is not a place we want to be. It was confirmed that this decision remained with the Chief Executive decision making, a pay line had been

approved in the budget and this would fall within the use of that. The risks of not providing the pay award were discussed.

38. The potential need for an additional F&R meeting to review the challenging situation, income and costs and actions in place for urgent review was discussed. This would be discussed at the Search and Governance Committee. **(Action CD)**

Annual Capital Expenditure Report

39. Last year's capital expenditure, and related income sources were reviewed.

Treasury Management

40. It was proposed that the treasury management reporting be included into the management accounts. The use of the loan repayment holiday will be picked up in the business planning and budgeting process.
41. **Resolved** that this be **approved**.

Balanced Score card

42. The new balance scorecard was introduced.
43. Governors were informed it would include cross committee data and information would be shared in the Principal's monthly update and available to view online, Will provide more regular information. The key measures were highlighted, across finance and human resources, will inform questioning.
44. Questions were invited.

Section D – RISK MANAGEMENT

Risk Management Report

45. The updated report was received. The risks remain unchanged. The Committee had discussed headwinds and were comfortable that these were appropriately reflected in the risk register. Post Christmas we would have a far better visibility of confirmed income and could review them again then.
46. **Resolved** that the Risk Management Report be **recommended** to the Corporation.

Section E – HUMAN RESOURCES

47. Papers were taken as read and key strands were drawn out for governors.

Quarterly HR Update

48. The quarterly HR Report was received.
49. The challenge retaining key skillsets was discussed. Turnover and sickness were highlighted. Two restructuring exercises had been undertaken during the year.
50. The pay awards position was reiterated, alongside the increase in living wage and employer NI increases. Governors were informed that the number of pay bands had more than halved in a ten-year period. Our competitors were increasing, no longer

just other education establishments, but also retail, emphasising the importance of a full pay and benefits review.

51. It was asked what the cost of a pay and benefits review might be. It was explained this needed to be part of a bigger piece of organisational design work. It was agreed it was not possible to tolerate the continued erosion of pay scale, losing differentiation through teams, without taking some action. It was asked that this piece of work be scoped. **(ACTION DA)**.
52. It was asked if the college has a menopause policy. It was being reviewed if there would be a policy of its own, or if it should be included in the wider health and wellbeing policy. Would be interesting to see how other colleges cover this.
53. It was asked how staff turnover compared to the previous year. It was confirmed it had reduced by 6%. All staff were offered an exit interview.

Gender Pay Gap Report

54. The reality behind the data was discussed, and questions asked regarding sector comparisons. The impact of changes to the living wage were also discussed.
55. **Resolved** that the report be approved for publishing.

People Strategy

56. It was recognised that the current strategy had run to its end. This proposed strategy moves to a cyclical approach, considering the employment lifecycle, improving the people resource, for greater performance and benefit to our stakeholders, clients and students.
57. The key stages were detailed.
58. It was asked what the financial cost of the strategy was. The need to invest in staff and technologies. The need to review pay and benefits would all need to be costed and priorities, to identify the key items that would make a difference.
59. Did HR staff have any involvement in the development of the strategy. No, but the HR Director looked at peers and best practice. The implementation and delivery of it would seek the views of a wider staff forum.
60. It was recognised that it needed a culture change, financing and training.
61. **Resolved** that the proposed strategy be approved, as a four-year aspirational strategy, subject to it being brought back to the next meeting with oversight of a costed implementation plan.

Staff Recruitment Policy

62. The changes were highlighted.
63. **Resolved** that the revised policy be **approved**, subject to one discussed change in terminology.

Section F Resources

Sustainability Baseline

64. The sustainability baseline was covered early in the meeting as an outstanding action.

SECTION G CLOSING ITEMS:

Any other business

65. A number of queries were raised regarding the format of the meeting, actions and minutes.

66. It was recognised that the college had an experienced Head of Governance, here to advise. Governance followed sector best practice and had been under an external review.

Impact of Governance

- Maintain the challenge on carbon baseline management being a priority.
- Significant challenge and debate around management accounts and desire to scrutiny actions to address the gap reported – with an earlier next meeting.
- Robust debate around the staff turnover and increasing costs.

Date of next meeting

67. An earlier meeting was requested, the next scheduled meeting is 10 March 2025.