

MOULTON COLLEGE

FINANCE AND RESOURCES COMMITTEE

Meeting held on Monday, 24 February 2025 at 12.00 noon on Teams.

Present:	Ashley Clarkson	Independent Governor
	Mohamed Saeudy	Independent Governor
	Michelle Pledger	Independent Governor
	Karen Squires	Staff Governor
	Oliver Symons	Principal

In attendance:	Alicia Bruce	Chief Operating Officer
	Faye Williams	Vice - Principal
	Sarah Bunney	Finance Director
	Catherine Duro	Head of Governance

SECTION A – ROUTINE ITEMS AND GOVERNANCE:

Apologies for absence

1. Apologies were accepted from Charles Matts and Mark Wakeford.

Declarations of interest

2. There were no declarations of interest.

SECTION B – BUDGETING AND FINANCIAL PERFORMANCE

P5 Management Accounts and Cash Flow

3. The P5 Management accounts were received. It was understood that the forecast presented in these was the same as had been seen earlier in the year.

2024/25 P6 Forecast update

4. The first draft of the P6 forecast was shared. The worst-case scenario was presented. This remained subject to change, as the anticipated confirmation of additional DFE funding was yet to be received. This DFE update on additional funding for the FE sector and in year growth funding was reported to be expected towards the end of March. Governors were advised that the forecast would then be revised to reflect the confirmed income.
5. Governors were informed of the risk that although a statement had been made by the treasury that the increase in National Insurance would be fully funded for the public sector, this was yet to be confirmed for colleges and only a proportion of the cost was now expected to be covered.
6. The forecast showed the forecast if no further monies were received, this would give a financial health score of 90, which would be a financial health grading of inadequate.
7. The differences in the initial forecast and reasons for the variances were detailed in a presentation. The affordability of the proposed pay rise was discussed.
8. The risks presented by the ongoing uncertainty were understood.

9. Questions were invited. It was asked if the college could continue trading in the worst-case scenario. It was confirmed that it could.
10. Governors were advised that the college will be seeking an extension of the loan capital repayment holiday, once the curriculum plan and budget data are known.
11. If we get to worst case scenario, can we trade from that point to when we next receive considerable cash income – Governors were advised that even in the worst-case scenario, further income was in the pipeline, very early in the new year, though if no further income was received this year, then the closing months of this year would be very challenging. However, assurance was offered that the college remained hopeful that some DFE income would come in and management would be reviewing all expenditure and recruitment to maintain solvency. Commercial income over the summer, bus pass income and accommodation deposits, would all support the cashflow position. It was understood it would be challenging but the college will remain solvent.
12. It was asked what update staff would receive. It was suggested an all staff briefing would be given in the week before Easter, once more certainty was known. To explain this years' position and the underlying position for next year. A commitment had been made to keep staff updated and the importance of fulfilling this was recognised by all. The need for all staff to understand the financial position, and the importance of prudent spending by all was recognised. The timing of this announcement would be considered again after the F&R meeting in two weeks' time, for a potential mid-March staff briefing, when an update on the pay rise could also be provided. The need to control expenditure on agency staff was the most significant area for impact. Governors encouraged caution to prevent this impacting on student experience.
13. The P5 debtors value was questioned. It was explained that this included the transport fees, that are paid termly, and HE fees for accommodation that are not due until May. Deferred income balanced across debtors gave a truer indication. The transport team are chasing overdue amounts for terms 1 and 2. More detail would be given in the P6 accounts.
14. Useful to be uptodate, thanks were given. The figures are on the face of it were alarming, but it was important governors understood the worst case scenario and actions being taken.

SECTION C - CLOSING ITEMS:

Any other business

15. Congratulations were given on the recent Ofsted inspection. It was asked if there were any new actions needed to move to outstanding. Nothing we don't already know, which is positive, attendance, personal development and English and maths were reported as the key areas listed for improvement.

Impact of Governance

16. Committee members had maintained high levels of oversight of the financial risks, and were fully informed of the current position and worst-case scenario, to inform scrutiny and decision making in meetings through the remainder of the year.

Date of next meeting

17. the next scheduled meeting is 10 March 2025.