**Finance and Resources Committee – Report to Board Meeting on 8th June 2021**

**Prepared by: Clare Gibb, Chair of Finance & Resources Committee**

**Date: 11th May 2021**

**Purpose of Report**

To provide the Board of Management with an update of the Finance and Resources Sub Committee deliberations and decisions in order to demonstrate due diligence in management

**Minutes of Meeting.**

The Board of Management is requested to note the minutes of the Finance and Resources Committee Meeting and approve the following: -

1. The review of Management Forecast, Mid-Year Return.
2. Board notes the cash flow position from April to July 2021
3. Note that Finances and Resources has considered the variances and assumptions and recommend proceeding on this basis.
4. The Board notes the situation re the indicative allocation for 2021/22 and note that full budgetary consideration may flex
5. Estates Update shows progress to RAG reporting and evidencing risk and performance management to record “routes to green”
6. The use of frameworks for more efficient procurement in order to benefit from economies of scale.

**Commentary**

The Finance and Resources Committee met using Teams on Monday 26th April. The meeting discussed the following: -

* Devolved budget management appears to be bedding in well with budget holders. Discussions identified that this provided additional financial management and noted that allocation presently held back a contingency percentage.
* Financial risks associated with increased course withdrawals were noted and the increased concern re “bad debt” noted. This issue is identified across the college sector and management are in communication with other finance colleagues to ensure we adopt best practice in ongoing management.
* We had a detailed presentation from Procurement and noted that Sue’s enthusiasm contributed to college ethics in terms of community benefit etc. This was felt to be an excellent piece of work and really valuable in terms of extra value to local businesses, equality of opportunity and the value APUC is providing.
* We discussed the Ring Fenced Capital Funding for Maintenance Backlog and the committed expenditure to date and noted that significant progress had been made to remove this transitional risk. There is still a slight concern that the SFC may not reimburse all funds committed but we have ensured that cash flows can accommodate this expenditure if repayment is not made.
* NCL credit target may not be met and we discussed the possible impact on SLC. We agreed that this needed to be monitored as worst case scenario there may be a further £253K deficit.
* We considered the new reporting format and agreed that this was an improvement.

**Themes**

Cash flows and potential need to use Overdraft Facility needs to be monitored as the potential deficit in credit attainment may impact.

Delegated responsibilities to budget holders seems to be empowering staff to try to also make a difference.

Estates contract management reporting is improving but we would look to enhance this to demonstrate routes to green / risk management when performance issues arise.

**Clare Gibb**

**11.06.2021**