

Minutes of the Finance & Resources committee meeting FRC21.3 held by video-conference on Wednesday 27 April 2022, Long Road Sixth Form College, Cambridge

Present: Gerry Bolton (committee Chair), Yolanda Botham (Principal), Abby Futter, and Sophie Harrison

In attendance: Charlotte Hemmins (Finance Director), Charlotte Muir (HR Manager, present for agenda items 6 and 7 only), Jason Dear (IT Manager, present for agenda item 6 only)

Clerk: Anne-Marie Diaper

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FRC21.3.1 Apologies for absence

Apologies were received from Vickie Grenville and Tony Humphrey

FRC21.3.2 Declarations of Interest

None. Corporation members noted (in the presence of a staff Governor) that the discretions policy was relevant to support staff, but this particular discussion was not about individual members benefits.

FRC21.3.3 Minutes of FRC21.2 held on Wednesday 2 February 2022

With no amendments, the minutes of the last meeting were agreed as a true and accurate record of the meeting.

FRC21.2.10. The committee noted the link with the Audit committee function around internal audit. The plan was to seek expert advice and a specialist HR function audit, and as part of this a review of the HR Strategy and KPIs as a whole document. This was to be rolled over to a later meeting.

Clerk

FRC21.3.5 Matters arising from the minutes not covered elsewhere on the agenda

None.

FRC21.3.6 Committee review of key policies

Acceptable use of IT policy (staff), and the Acceptable use of IT policy (students) – these two policies were taken for consideration together however the committee noted the differences. The IT/Estates Manager presented this item.

A Governor commented that the policies looked reasonable but she asked if other examples had been considered. The IT/Estates Manager explained that the College's IT and cyber-security audit undertaken by JISC, discussed in an earlier meeting, had significantly scrutinised relevant policies. He was confident that these draft policies were of

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sector standard. Another Governor agreed that the policies included references to recent topical matters.

With no further discussion, the committee approved the two Acceptable Use of IT policies, as presented.

The IT/Estates Manager left the meeting at 10.25am.

Discretions policy. The HR Manager presented this item for committee consideration for recommendation for Board approval. The policy was relevant to LGPS fund staff members only.

A Governor commented that it was not obvious if the policy as presented included any changes from the earlier version. The HR Manager advised that the policy presented included no changes from the earlier iteration. The College was guided by regulations that had not changed. She clarified that if employees request early retirement on medical grounds, those requests were treated separately, not under this policy.

With no further discussion, the committee was content to recommend Board Board approval of the Discretions policy.

FRC21.3.7 HR termly report

The HR Manager presented the report, which covered the period September 2021 to April 2022. She drew the committee's attention to a couple of key points. She referred to the FTE in post from this point last year, sickness absence and Covid, and challenges around recruitment.

A discussion ensued related to risk and retention strategies. Another short discussion occurred around staff sickness and the impact of Covid, and the staff sickness absence figures with Covid-related sickness removed. A Governor was keen to understand the impact of sickness absence on colleagues providing cover, which the Principal advised had been covered mostly by agency, and some short term contracts. No lessons had needed to be cancelled. The meeting discussion turned to causes of sickness and the senior leaders reported "Our Wellbeing" initiatives for staff wellbeing in the college as well as ensuring that staff are fully aware of the support available in the event of them experiencing wellbeing issues or concerns. The senior leaders described activities enjoyed by staff being able to be reinstated now Covid restrictions had been lifted.

The Governors were keen to focus on the 'so what' kind of assurance questions. Whilst figures were useful, discussion during the meeting

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had led to a great deal more assurance for which the committee was grateful. The committee described these matters as safety nets from a Governor point of view supporting good governance, and providing assurance that HR is working with line management on relevant and important issues.

The Governors thanked the HR Manager for the report and she left the meeting at 10.46am.

FRC21.3.8 Property and estates report and update on health and safety, including cleaning tender

The Finance Director presented the report. On the new build she advised that the pre-planning application meeting had occurred on 4 March, and the resulting report was available on the Governors portal. There were no red-rated issues and a meeting was imminent to focus on the BREEAM pre-assessment and the flat roof on the new modular build. A 'brown' roof around the PV would support water absorption. Managers reminded the committee that plans were in place to provide for temporary buildings to be available for September 2022.

A detailed discussion around proceeding with putting in an order with the supplier before planning consent was received led to a joint committee/management decision not to proceed at risk due to the possible significant financial liability. The order for the modular new build being placed with the supplier after post planning consent would be likely to delay the completion of the new building, and likely to result in additional costs of renting temporary cabins, but this would be managed. The College would be keeping the funding body in the loop on the timeframe.

The report also provided an update on Covid with the College now following the UKSHA guidance.

Sophie Harrison stepped away from the meeting at 11.06am.

The FD then spoke to the property strategy update on matters not relating to the new build. She reported repurposing and refurbishing some areas of the College.

Sophie Harrison rejoined the meeting at 11.12am.

In response to a Governor question, the FD confirmed that grant funding was not available for refurbishments, only for expansion/growth, so for some refurb projects the College would need to fund from reserves. The committee Chair was keen to start

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communicating these matters to the wider Board, to keep them in the loop.

The FD also reported the IT/Estates Manager's report on the outcome of the cleaning tender, for information only. The College had used a consultant taking the restricted route for this. The College's current supplier did not make it through round 1. The College had awarded the contract to the supplier who had included the living wage for its staff. Existing cleaning staff would be transferred under TUPE.

The committee wished to minute that it was pleased that an outside consultancy had been chosen to handle the tender and that it was content with the approach and the decision, given the size of the contract, which would have an August 2022 start.

FRC21.3.9 ESFA Financial dashboard 2020/21

The annual letter from the ESFA confirmed that the College's financial status was now rated 'outstanding'. The FD advised that the dashboard that was usually provided with the letter in .pdf format had now been move online, and she showed Governors the live data. Governors preferred the .pdf format.

Governors noted the strong financial position of the College, which was notable and impressive, especially coming out of the end of the pandemic.

FRC21.3.10 Management Accounts March 2022

The FD presented the written management accounts. She explained the increase in funding and additional high needs support income that had fed into the financial forecast. The College was planning to recruit a new academic support specialist teacher with those funds.

The FD explained how other income was tracked, and commented that the College did not yet know the full requirements of the audit. She spoke to pay and non-pay costs. Pay costs included a full staffing reforecast, and she explained that a great deal of departmental reconfiguration had occurred.

Referring to non-pay the FD explained that there was a maintenance programme. A full audit of the estate was to be carried out in order to determine what needs to be done, however she described some urgent maintenance work that needed to be done and broken equipment that needed to be replaced. Governors were sympathetic to using contingency or unspent main budget to do important urgent work.

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With a couple of comments on differences in figures showing on the cash flow as opposed to the forecast income and expenditure and a note about headers, this item closed, and the committee thanked the FD for the report.

FRC21.3.11 Update on factors affecting the financial forecast

The FD presented her written paper, which included an update on the 3 year financial forecast approved by the Corporation in July 2021.

The paper included data and commentary on income, pay, non-pay and capital.

The figures presented included provision for the increasing cost of fuel and likely staff pay award costs. The Principal reminded the meeting that the information on the likely costs of pay increases were confidential at the present time. Rates will be subject to inflationary increase but detail unknown at present, and it was likely that some rebudgeting may have to occur. The paper included likely learner numbers and she explained that the growth was expected to flatten and to return to incremental growth.

Ukrainian refugees were expected in September 2022 and staff would be available for additional support provision.

The FD commented that the Financial support policy may see changes in bandings coming forward. The Principal added that there were likely to be some big strategic issues for Governor involvement linking to earlier discussions, but there would be options and a number of scenarios were being modelled in the background. Admissions and marketing functions were key.

A Governor asked a question about likely surplus in the budget for the next academic year and the Principal commented that the FD would propose only affordable developments.

FRC21.3.12 First draft of budget for 2022/23

By this point the meeting had already touched on many of the important factors in this paper eg. learner numbers, staff pay increases, the additional 40 hours to be delivered to learners. The College would produce a statement at end of year clarifying how it was able to deliver those hours. Additional costs were included for that.

Teachers pension grant (hoped to eventually become incorporated), inflationary increase on non-pay, an increase of 10% in examination fees, rising energy costs.

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It was noted that estates capital was slightly increased to include the IT capital requirement. The FD explained that the wider impact of the IT Strategy on capital expenditure levels still needed to be discussed with the IT/Estates Manager.

The committee thanked the FD for the report, noting that the final draft budget and final 3-year financial forecast would be presented to the committee at the next meeting for Board approval.

FRC21.3.13 Governance improvement plan (GIP)

The Clerk had provided a written update in the GIP on the sections relevant to the committee. The committee noted ongoing relevant equality diversity, and inclusion matters.

FRC21.3.14 Review of risk

The committee noted its key risks. The Principal asked if the gender pay report could be presented to a future meeting, as the HR report had not included it.

Agenda**FRC21.3.12 Any other business**

None.

FRC21.3.13 Date of next meeting

FRC21.4 Wednesday 15 June 2022, starting at 10am. The meeting closed at 12.13pm