

**Minutes of the Finance & Resources Committee meeting FRC19.3 held by video-conference on Wednesday 29 April 2020  
Long Road Sixth Form College, Cambridge**

Present: Chris Lang (committee Chair), Yolanda Botham (Principal), Steven Esdale, Vickie Grenville, and Ian Wilson

In attendance: Charlotte Hemmins (Finance Director)

Clerk: Anne-Marie Diaper

<b>Ref</b>	<b>Agenda item</b>	<b>Action</b>
<b>FRC19.3.1</b>	<b>Apologies for absence</b> None. It was agreed by all members of the committee to record meetings whilst being conducted remotely. Recordings would be destroyed once the minutes and formal record were produced. One Governor had some technical difficulties throughout the meeting and one Governor could not be seen on camera but could hear and be heard at all times.	
<b>FRC19.3.2</b>	<b>Declarations of interests</b> The staff Governor declared an interest in agenda item 6. This was a discussion on the sector pay award for staff, and so the staff Governor would not be required to absent himself from the discussion at that point.	
<b>FRC19.3.3</b>	<b>Minutes of the last meeting</b> With no suggested amendments, the minutes of the FRC19.2 meeting held on Wednesday 5 February 2020 were agreed as a true and accurate record of the meeting.	
<b>FRC19.3.4</b>	<b>Risk report</b> The Finance Director (FD) took the opportunity to update the committee on risks relating to the change in College circumstances. Staff were working remotely and College was operating distance learning for students. Risk management was now being considered by the whole leadership team and fortnightly risk meetings were taking place. The College had created a Covid-19 risk register, detailing impacts and risks and setting out mitigating actions. The FD drew Governors attention to updated version of the reports which were dynamic documents and which included 'return scenarios'. Some risks set out in the risk register were FRC specific risks.  The meeting discussed the impact on ESFA income and on the financial element of paying sub-contractors, including catering, and the impact of activities that would normally take place during the summer term, the possible investment in additional technology for some colleagues, and the reduced spend on gas and utilities.  A Governor asked if there was likely to be any financial gain from a possible rebate on exam fees. The FD commented that exam boards reported that they were still incurring costs. Therefore, the College would be continuing to pay invoices received (registration fees). It was not possible to know at this	

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stage about any possible redistribution of savings across the sector by the exam boards and College was not relying on any income from this. College was required to continue to pay invigilators on basis of what they worked during 2018/19. The form of the autumn exam series and invigilation costs were also not known, but more work would be done on preparing for costs unknown at this stage.

The FD advised that payment runs and payroll had all gone smoothly. Students receiving FSM and other financial support were being followed up and being prompted to come forward as appropriate if needed. The Estates team were securing the site, and it had been possible for some maintenance and improvement work to occur, some of which would prepare for when College re-opens to students and staff.

The meeting touched on data required for exam boards, and the FD/Principal advised that the VP was ensuring comprehensive checking of the data, and reporting would occur to the Standards committee on this and other matters.

The Principal, speaking to a second paper on this item, reported to the committee on the financial perspective of arrangements for admissions, applications, and planning for enrolments and the relevant numbers. The paper, which a number of leadership staff had contributed to, included 'return to work' scenarios including a phased approach. College had been thinking through the complexities and the possible necessary investment required.

Governors were mindful of supporting College on the matters discussed, and it was important that committees were able to assure themselves that the right issues were being considered and addressed. Guidance was changing daily. The Principal was intending to provide a report to the May Board, to include a HR perspective and an Estates perspective, as to how Covid-19 would be likely to affect College strategically including teaching and learning. There was currently a lack of clarity on some key elements that would be covered in the Principal's paper, including Ofqual grades and the data required for this. With a need to be agile, the meeting discussed the possibility of establishing a Covid-19 working group.

From the report, the committee felt reassured that there was no obvious omissions. The committee Chair commented that the Corporation would need to consider a return plan, when more Government information and advice were available, to include further detail on the numbers likely to return in various ways. Governors wondered if lessons could be learned from other sectors. A focus on admissions was key, and factors such as the current limit on foreign travel was affecting gap year plans and therefore possible numbers applying to University.

**FRC19.3.5 Finance update during College closure**

Management accounts March 2020. The Finance Director (FD) presented the report. She talked specifically about the current financial position, additional fees, the financial surplus and contingency, and the cash position, which at the time of the meeting included monies set aside for the staff pay

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	<p>award. She touched on the use of capital funds for necessary IT resources during lock down. Against the KPIs the College was judged as good financially. A Governor had pointed out a couple of minor errors in the accounts, which had been communicated offline, and a Governor queried something on the first page, which also need further consideration.</p>	<b>Finance Director</b>
	<p>The committee Chair gave an overview, commenting that the sector was in a favourable position financially than other parts of the economy. The College was able to be a little flexible as regards unforeseen costs over the next few months. It was likely that cleaning costs would be expected to be higher and there may be other costs due to social distancing, on return. It was noted that there was the usual financial disparity across the education sector, which was being picked up nationally by SFCA.</p>	
	<p>The committee thanked the FD for the report.</p>	
	<p><u>First draft of budget for 2020/21.</u> The Finance Director (FD) advised that the budget for 20/21 was nowhere near final, with much change at the moment on the many factors impacting it. In the current year College had higher learner numbers than against contract which could increase income in 20/21, although with costs on re-opening unknown, the position was being carefully monitored.</p>	
	<p>The FD referred to application numbers for the next intake, from CAP and from out-of-area, and she spoke about the modelling and scenarios being carried out/worked up, giving specific details to the committee on how these scenarios could affect College finances.</p>	
	<p>The committee Chair commented that the current focus was on 2020/21 but the major impacts could be on the 2021/22 finances, dependent on enrolment numbers in September 2020 and any Government support for a reduction in these as a result of Covid-19. There were a number of drivers that where not explicit in the budget at the present time.</p>	
	<p>The Principal advised that numbers of students by course expected in 2020/21 were unknown, the effect on current student numbers across the board both new and returning students, and the resulting impact on the teaching resource required. The committee Chair agreed and commented that College would need to be clear how to present that to the Corporation showing the impact and detail on pay and non-pay of Covid-19 costs for Corporation.</p>	<b>Principal</b>
	<p>The meeting touched on uses of capital budget to support social distancing, with possible increased/best effective use of outdoor space. The committee agreed it seemed sensible to bring back as part of further discussion on the budget. The Chair asked if the possible ideas for investment could be brought back to the next meeting, as part of the Property Strategy, to include what could be spent as a priority, and how, before considering additional capital expenditure.</p>	<b>Agenda</b>
	<p>The committee briefly touched on the 2021/22 budget. The committee Chair suggested the committee consider the financial forecast at the next</p>	

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	meeting and the financial impact of learner numbers to establish a baseline, along with possible impacts of Covid-19, noting there was much uncertainty at the present time.	<b>Agenda</b>
<b>FRC19.3.6</b>	<p data-bbox="323 349 517 376"><b>Staff pay award</b></p> <p data-bbox="323 387 1243 595">Papers from the SFCA on the teachers’ pay award setting out a final offer had been circulated to the committee. The Corporation Chair reported that as yet there was no agreement reached on a pay award the current year. Teaching unions had held their position for the sixth form College award to match the award made to school teachers, plus to make up lost ground from the previous year.</p> <p data-bbox="323 636 1222 947">The employers’ side had at the last meeting made another offer which included a 2 year deal, of a phased 2.75% increase, with 1.5% backdated to September 2019 and 1.25% to 1 April 2020. The second year of the deal would see a further 2.5% increase from January 2021, with a cost of just under 2% in-year for a typical College. The teachers’ review body was expected to recommend this for teachers. NEU had put out only the first year of that 2yr deal to their members, with a recommendation that it should be rejected, with no mention of the 2<sup>nd</sup> year. The result of the NEU consultation was unknown.</p> <p data-bbox="323 992 1243 1200">Negotiations with the support staff union (Unison) had been running concurrently. Support staff/Unison had not wanted to settle until the award for teachers was agreed, however an offer of same deal (as that for teaching staff) had been made. It was understood that Unison were intending to put this proposed 2 year deal to members with a recommendation that it be accepted.</p> <p data-bbox="323 1245 1235 1341">The lack of an increase in the national base rate for Colleges could adversely affect the pay award in 2021/22. A negative economic downturn/impact from Covid-19 was expected to be major.</p> <p data-bbox="323 1386 1243 1485">The Finance Director reported that in College terms affordability based on staff current year forecast would cost 1.8%. Next year College had budgeted for the full 3.25% so to minimise adverse effects.</p>	
<b>FRC19.3.7</b>	<p data-bbox="323 1532 671 1559"><b>Date of next virtual meeting</b></p> <p data-bbox="323 1570 1115 1594">Wednesday 10 June 2020, 10am. The meeting closed at 11.58am.</p>	

Signed .....

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