**The Corporation of Newham Sixth Form College**

**Finance & Resources Committee**

**Minutes of the Meeting held on 9 March 2022**

**Members**

|  |  |  |
| --- | --- | --- |
| Simon Mayfield (Chair) | Independent Member  | Present  |
| Laura De Vos | Staff Member – Support  | Present  |
| Mandeep Gill  | Principal & Chief Executive  | Present  |
| Martin Rosner  | Independent Member  | Present  |
| Graham Willson | Independent Member  | Present  |

**Non-Members in attendance**

|  |  |  |
| --- | --- | --- |
| Susanne Datta | Interim HR Director  | Present  |
| Michael Gainlall | Vice Principal Finance & Operations  | Present  |
| Robin Jones | Clerk to the Corporation | Present  |

**1 INTERIM HR DIRECTOR**

The Committee welcomed Susanne Datta to her first meeting of the Finance & Resources Committee following her appointment as Interim HR Director.

**2** **APOLOGIES FOR ABSENCE**

The Committee NOTED that all Members were present on this occasion with Graham Willson joining the online meeting during item 6 given other commitments.

The meeting was quorate from the beginning and throughout.

**3 DECLARATION OF INTERESTS**

The Members confirmed that there were no declarations of interest to be recorded on this occasion at this stage of the meeting based on the published Agenda.

**4** **MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 1 DECEMBER 2021**

The Minutes of the meeting of the Finance & Resources Committee held on 1 December 2021 were agreed to be a correct record.

**5 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 1 DECEMBER 2021**

The Committee noted that there were no matters arising from the Minutes of the meeting of the Finance & Resources Committee held on 1 December 2021 which were not covered by the published Agenda.

**6 ANNUAL HUMAN RESOURCES REPORT - 2020/21**

The Committee received and discussed the Annual Human Resources Report for 2020/21.

The Interim HR Director took the Committee through the comprehensive document which covered such issues as:

* Workforce composition and headcount
* Age profile
* Ethnicity profile
* Staff profile by religion
* Staff turnover and reasons
* Recruitment difficulties
* Workforce development
* Sickness absence
* Wellbeing
* Staff survey and staff morale (see also item 7 below)

Key aspects from the latest analysis were highlighted including:

* the increase in staff numbers
* the fact that the College has an aging workforce and it is appropriate to address succession planning
* the profile by religion reflects the population of the London Borough of Newham
* the staff turnover at 16.7% was a little above the average for the FE sector at 14.8%
* Sickness levels at 4.51% was below the sector average.

The Committee AGREED following discussion:

1. To note the Annual Human Resources Report for 2020/21 and to thank those involved for the preparation
2. To confirm the wish that information should be provided in the future on the recruitment of staff with an analysis of the ethnicity and gender profiles at application, interview and appointment stages so as to have a better understanding of any trends
3. To request that the Annual Report for future years is presented to the Committee in the Autumn Term so that Members have an opportunity to comment much earlier than at present

**7 STAFF SURVEY AND STAFF MORALE**

The Committee received as part of the Annual Human Resources Report for 2020/21 an update on the actions taken and those planned as a result of the most recent Staff Survey and the associated staff morale which were discussed at length at the last meeting of the Committee on 1 December 2021.

A number of key issues were highlighted:

* An acknowledgement that staff morale is low and it is important that the Executive listen to how staff currently feel
* Grievances had now been received following the ending of the industrial dispute with members of the NEU when one of the claims concerned alleged bullying and harassment of staff
* The Executive would ensure that all staff had 121s with their line manager so that there was a regular dialogue and an opportunity to raise issues
* The Occupational Health Service would be used to support staff as and when it was thought to be helpful and appropriate
* Wellbeing sessions were now provided on a Wednesday afternoon and later in the year it was proposed to arrange an afternoon tea event
* The Staff Forum had not been meeting during the period of the strike but a session was planned for 16 March 2022
* The intention to arrange a new Staff Survey with the results being shared with all staff after the forthcoming Easter break rather than wait until the York Survey which was undertaken across the summer with outcomes being known in the early Autumn

The Committee was advised that the College proposed to engage QDP which was the largest independent specialist in questionnaire based feedback services to the Education and Skills sector. It was not a case of starting from scratch as QDP would incorporate outcomes as the basis of comparisons.

The Committee AGREED following discussion:

1. To note the update provided on the Staff Survey and Staff Morale
2. To support the proposal of the Executive to engage QDP to provide the vehicle for carrying out future staff surveys
3. To look forward to receiving at the next meeting the outcomes from the staff survey to be conducted in the next few weeks and the planned actions as a result.

**8 GENDER PAY GAP - 2020/21**

The Committee received as part of the Annual Human Resources Report for 2020/21 data on the Gender Pay Gap.

The Committee AGREED:

1. To note the Gender Pay Gap data for 2020/21 which was 3.79% and well below all other comparable sectors
2. That, as in past years, the report would be added to the College website to meet the statutory requirements to publish such data

**9 ETHNICITY PAY GAP - 2020/21**

The Committee received and considered the College’s Ethnicity Pay Gap for 2020/21.

Unlike the Gender Pay Gap it was appreciated that there was no requirement to prepare a report covering the Ethnicity Pay Gap. However, it was thought that it was good practice and would now be part of the annual reporting cycle and published on the College website.

The data presented showed that the College’s ethnicity pay gap was 1.89%.

The commentary to the report outlined the actions that were planned to be taken by the College to reduce and remove the pay gap such as seeking a diverse balanced shortlist for all roles particularly at the early careers level.

The Committee AGREED following discussion:

1. To note what was thought to be an excellent report on the College’s ethnicity pay gap including the actions being taken
2. To note that the report would be published on the College website so that it was available for all to see
3. To look forward to receiving such an annual report in future years

**10 KEY PERFORMANCE INDICATORS APPROPRIATE TO THE FINANCE & RESOURCES COMMITTEE**

The Committee received the report relating to the Key Performance Indicators (KPIs) for the College to be tracked by the Finance & Resources Committee on an ongoing basis.

The particular attention of Members was drawn to the inclusion for the first time data on staff utilisation – as at March 2022 this was calculated to be 95.5% against a target of at least 90%.

The Committee AGREED following discussion:

1. To note the KPIs as presented
2. To recognise that the ESFA funding was front loaded and as a result some of the KPIs looked far better earlier in the year than later although the targets reflected the position across the year as a whole

**11 STRATEGIC PLAN – 2022 TO 2025**

The Committee was reminded that a Special Meeting of the Corporation had taken place on 19 January 2022 primarily to discuss the key aspects of the proposed new College Strategic Plan for the three year period starting on 1 August 2022.

In response to a question from a Member it was confirmed that the proposed New Build project would be reflected in the new Strategic Plan and there was an acknowledgement that experience elsewhere showed that financial health deteriorated as a result of such a building initiative. This may mean that the College would no longer be regarded as “outstanding” for a time in terms of financial health.

A Member asked about such relatively new areas of provision as the T Levels and if these would be explicitly tracked. It was confirmed that this issue would be addressed by the Curriculum, Quality & Engagement Committee which was due to meet on 17 March 2022 and there was an opportunity to review the KPIs that were needed to enable the new Strategic Plan to be tracked.

The Principal & Chief Executive explained that from the consultation so far, including with Members at the Special Meeting of the Corporation on 19 January 2022, key words had been identified for inclusion in the Mission Statement and Vision Statement and these would be reflected in the draft to be presented to the Corporation on 30 March 2022. There was, however, more consultation planned and this would be taken into account in the final version which it was hoped would be approved by the Corporation on 13 July 2022.

The Committee agreed following discussion:

1. To note that the Principal & Chief Executive would be presenting a working draft of the new Strategic Plan to the Corporation on 30 March 2022
2. That at this time there was no need to change the KPIs reported to and considered by the Finance & Resources Committee

**12 MANAGEMENT ACCOUNTS – JANUARY 2022**

The Committee received the Management Accounts for January 2022 (Period 6 of 2021/22).

The Vice Principal Finance & Operations explained that the pay costs were being reviewed to reflect vacancies and actuals to date.

A Member asked for clarification of the term EBITDA – Earnings before interest, taxes, deprecation and amortisation - and this was provided by the Vice Principal Finance & Operations. Currently this was 22.86% which was in excess of the budget forecast of 13.12%.

In response to a question from a Member it was confirmed that the College was tracking the increases in energy costs and this would be modelled for the purposes of preparing the Annual Budget for 2022/23 to be presented to the next scheduled meeting of the Committee.

The Committee agreed to NOTE:

1. the Management Accounts for January 2022 which would now be made available to all Members of the Corporation for their information
2. the continued strong financial position including the number of cash days which at the end of January 2022 were 215 days which meant that the College retained the “outstanding” status based on the ESFA criteria
3. that the detailed position would change by the year end but this should not affect the surplus out-turn position and there was no intention on the part of the Executive to review the overall forecast
4. the Management Accounts for May 2022 would be presented to the Committee at the meeting scheduled for 29 June 2022 with the earlier periods made available via the College website (Governors secure area).

*Note: Susanne Datta left the meeting*

**13 FUNDING ALLOCATION - 2022/23**

The Committee NOTED that the College had recently received from the ESFA the Funding Allocation for 2022/23 which provided an increase of £2,712,327 over the current year due in part to the student enrolment exceeding the original target.

A Member asked about the funding of High Needs learners given the significance when planning the New Build project. It was explained that the present allocation anticipated 90 such learners but it was possible to liaise with the London Borough of Newham to seek additional finding in the light of actual High Needs enrolment.

The Annual Budget for 2022/23 would be presented to the Committee on 29 June 2022 and this would be prepared with regard to the ESFA finding allocation as the major source of income for the College.

**14 GROWTH FUNDING ALLOCATION - 2021/22**

The Committee was pleased to NOTE that the College would receive an additional funding allocation of £602,255 to reflect the actual enrolment over and above the original target for 2021/22.

The proposed use of the allocation would be addressed later in the meeting as a confidential item.

**15 INDIVIDUALISED LEARNER DATA (ILR) DATA INTEGRITY**

The Committee received and NOTED the report of the Vice Principal Finance & Operations which had been prepared following the publication of guidance by the ESFA on 12 January 2022 on maintaining complete and accurate ILR data.

It was explained that, in the main, Sixth Form Colleges such as NewVIc have one strand of funding for 16 to 19 year olds calculated on a lagged basis without the need for in-year reconciliations. This contrasts with a typical General FE College which may have 4 or 5 or even more sources of funding all with different requirements.

Using the ESFA provided software the College is able to be proactive when submitting the in-year returns.

The Financial Statements Auditors will test the College returns when undertaking the year end reviews and in some years the Internal Auditors will focus on the ESFA funding position to ensure that the systems in place in the College are as efficient and effective as possible drawing on good practice elsewhere.

**16 FINANCIAL REGULATIONS**

The Committee received and considered the proposed update to the College Financial Regulations.

The Vice Principal Finance & Resources explained that there 2 proposed changes to the version of the Financial Regulations previously approved by the Committee:

* Section 5.6 – Quotations section – preferred list of suppliers
* Section 5.8 – reflects the fact that as a result of Brexit the OJEU requirements no longer apply – the College must follow the public procurement thresholds which govern the award of public sector contracts

A Member asked about the decision making arrangements when the Corporation will need to consider the award of a contract. The following specific provisions of the Financial Regulations were highlighted:

* Annex A – amounts over £500k require consideration by the Corporation
* Annex B – Tendering Procedures
* Annex F – Procurement Policy

The Committee AGREED following discussion:

1. To APPROVE the updated Financial Regulations with immediate effect (9 March 2022)
2. That the Vice Principal Finance & Operations revisits and presents a report to the next meeting of the Committee on the decision making arrangements for (1) using the preferred list of suppliers so that performance is reviewed on an ongoing basis and (2) those instances involving the Corporation for the approval of expenditure and the award of a contract

**17 ESTATES - UPDATE**

The Committee received and NOTED the Minutes of the meeting of the New Build Task & Finish Group held on 1 March 2022.

The following issues were drawn to the particular attention of the Committee:

* The timetable for the preparation of the New Build project masterplan
* The arrangements for the consultation with staff, students and others
* Sustainability would be a key feature to planning the New Build project – a College Sustainability Strategy is being prepared for presentation to a future meeting of the New Build Group
* The fundamental importance of the Curriculum Plan to the New Build project and the intention was to present to the Curriculum, Quality & Engagement Committee on 16 June 2022
* The budget implications of the New Build project in 2022/23 would be covered in the proposed Annual Budget to be presented to the Finance & Resources Committee on 29 June 2022 and the Corporation on 13 July 2022
* The application for £2.4m funding under the DfE Post 16 Capacity Fund had originally been unsuccessful but since the meeting of the New Build Group the College had just been notified that was now approved
* The College would continue to respond to Government and other opportunities to seek funding to support the plans relating to the College estate

The Committee agreed:

1. to NOTE that the College would be receiving £2.4m under the DfE Post 16 Capacity Fund which would require the College contributing £300k by way of match funding - the condition for the allocation was that the funds were used within a year
2. to look forward to hearing from the Executive the proposed approach to making best use of the Post 16 Capacity Fund allocation in the context of the emerging plans for the New Build project.

The next meeting of the New Build Group was scheduled for 14 June 2022 and an update on key issues would be presented to the Committee on 29 June 2022.

**18 STREAMLINED ENERGY & CARBON REPORTING (SECR)**

The Committee NOTED the College’s annual statement for 2020/21 under the Streamlined Energy & Carbon Reporting (SECR) arrangements with a comparison against 2019/20.

**19 FINANCIAL REGULATIONS – APPROVAL TO WAIVE TENDER REQUIREMENTS – SCIENCE LABORATORIES**

The Committee NOTED that the Chair of the Corporation and the Chair of the Finance & Resources Committee had approved the recommendation that a firm be contracted to provide a new science laboratory with the work being carried out over the Easter holiday period.

The preferred firm had been identified following the receipt of three competitive quotes and although the cost including VAT was over £50k and would normally require a tender process this had been waived as provided for under the Financial Regulations.

**20 DIGITAL STRATEGY – UPDATE**

The Committee NOTED the background to the formulation of a College Digital Strategy and that the 7 strategic aims were now being taken forward.

**21 HEALTH & SAFETY – UPDATE**

The Committee received a Health & Safety update which covered the following issues:

* Codes of Practice to support the approved Health & Safety Policy – when the drafting was completed they will be uploaded to the College intranet so they are available for reference by all staff
* First Aid changes including payments and the introduction of a rota
* Reporting of accidents and incidents – system now in place to make reports electronically
* Fire Wardens allocation – new arrangements to be tested out via a College fire drill to take place this month (March 2022)
* Plans for staff training
* Accidents and incidents – only 2 recent reports – the low number was probably due to Covid related restrictions with, for example, less sports activities than under normal circumstances
* Risk assessments continue to be updated including with regard to Covid
* Health & Safety audits completed in Science and Engineering – good standards maintained despite the impact of Covid, staff shortages and high student numbers
* 28 CO2 monitors supplied by the Government to help identify areas of poor air quality – readings were being taken and the College was committed to improving air quality as and when the need arose although so far no concerns had been identified

The Committee agreed to NOTE the Health & Safety update report and to look forward to receiving further such reports at future meetings.

**22 CALENDAR OF MEETINGS – 2021/22**

The Committee NOTED the date of the next scheduled meeting:

* Wednesday 29 June 2022 at 4 pm

It was recognised that other meetings will be arranged if and when thought to be appropriate to address issues.

The Committee recalled that it was for Members to decide the arrangements for meetings – in College, online or hybrid.

Whilst it was good to have options Members thought online worked well for the Committee but would be kept under ongoing review.

**23 LAURA DE VOS – STAFF MEMBER ON THE CORPORATION**

The Committee NOTED that Laura de Vos would be leaving the employment of the College shortly and would, therefore, be resigning from membership of the Corporation.

Members agreed to thank Laura for her contribution to the Corporation and the Finance & Resources Committee over the last 18 months and to wish her well for the future.

Arrangements were being made to appoint a new Staff Member from the College Support Staff and it was hoped that they would be able to attend the next meeting of the Committee scheduled for 29 June 2022.

**24 CONFIDENTIAL ITEM OF BUSINESS**

The Committee discussed an item of business which at this time would be regarded as confidential and, therefore, is covered in a separate Minute which will only be available to Independent and Parent Members on the Corporation.

Given the subject matter of the item to be considered Laura de Vos withdrew from the meeting.

 Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_