**The Corporation of Newham Sixth Form College**

**Finance & Resources Committee**

**Minutes of the Meeting held on 24 March 2021**

**Members**

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

**Non-Members in attendance**

|  |  |  |
| --- | --- | --- |
| Michael Gainlall | Vice Principal Finance & Operations | Present |
| Robin Jones | Clerk to the Corporation | Present |
| Martin Reed | Assistant Principal Student Services & Human Resources | Present |

**1** **APOLOGIES FOR ABSENCE**

The Corporation NOTED that all Members were present on this occasion.

The meeting was quorate from the beginning.

**2 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.

**3** **MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 2 DECEMBER 2020**

The Minutes of the meeting of the Finance & Resources Committee held on 2 December 2020 were agreed to be a correct record.

**4 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 2 DECEMBER 2020**

The Committee noted that there were no matters arising from the Minutes of the meeting of the Finance & Resources Committee held on 2 December 2020 which were not covered by the published Agenda.

**5 MANAGEMENT ACCOUNTS – JANUARY 2021**

The Committee received the Management Accounts for January 2021 (Period 6 of 2020/21).

The Vice Principal Finance & Operations provided an overview of the key issues with the overall College financial position being regarded as healthy and the requirements of the bank covenants being met in full.

It was stressed that all budgets were being monitored closely with the intention of delivering an end of year surplus in line with the original projections.

Members took the opportunity to seek clarification of a number of issues relating to the Management Accounts and the College Budget generally including the following:

* There had been some increases in the income lines as a result of allocations from the ESFA and GLA with the latter having accepted a business case made by the College
* Pay costs for NewVIc continued to show a positive variance although there would be some change when, for example, the appointment to the post of New Build Manager was made
* Cash days were particularly healthy at 133 days

A Member asked about the opportunities to invest funds to generate interest income. It was explained that this was carefully tracked but with interest rates as low as they were at present the benefits were limited.

The Committee agreed to NOTE:

1. the Management Accounts for January 2021
2. that the Management Accounts would be published on the password protected Governor Access Area so that they were available for all Members.

**6 FUNDING ALLOCATION – 2021/22**

The Vice Principal Finance & Operations provided the Committee with an overview of the funding allocation for 2021/22 recently received from the ESFA.

There were various positives such as the confirmation that the College would receive continued support for the costs associated with the Teachers Pension Scheme.

A significant national development was that the Index of Multiple Deprivation had been reviewed which in the past had been favourable for London Boroughs. The latest assessment showed that the Borough of Newham was less deprived than it was thought to be in the past which meant that NewVIc’s ESFA funding would be reduced. However, the Principal & Chief Executive advised that there would be limited protection from the full impact for one year.

The particular attention of the Committee was drawn to the reduced bursary allocation that goes to students via the College. It was thought that would be just as many if not more students in need of financial support. In the circumstances it was noted that when preparing the Budget for 2021/22 the Executive would review the opportunities to set aside College funds to compensate for the reduced ESFA allocation.

The Committee AGREED:

1. to note the 2021/22 ESFA funding allocation including the changes such as the impact of the review of the Index of Multiple Deprivation
2. to look forward to receiving at the meeting scheduled for 30 June 2021 the proposed Annual Budget for 2021/22 for recommendation to the Corporation

**7 RECRUITMENT OF STUDENTS**

Committee Member Laura De Vos in her capacity as Head of Marketing & Communications provided the Committee with a presentation which addressed marketing and recruitment including:

* Open Day attendance in 2018/19, 2019/20 and 2020/21 including by conversions (registrations and attendance)
* Applications – showing a 80% increase at January
* Careers advice sessions – currently showing a 406% increase
* Feedback
* Website analytics
* Impact on recruitment – 23% increase in applications at the same point as last year
* Breakdown by home Borough and current school attended of students
* E-letter engagement
* Reputation

The presentation concluded with a summary of next steps which included the Happy Birthday emails (being well received by potential students) and a welcome box to be delivered to homes in May.

The presentation prompted a range of questions and comments including the expectation that with teacher assessed grades this summer rather than examinations there may be a repeat of more students achieving grades which enable them to gain entry to courses which were not in their best interests. This would be carefully tracked and discussions take place with individuals once they have joined the College in September with a view to arranging transfers as and when appropriate.

As always students were likely to be making applications to a number of colleges and then deciding on which one to attend once grades were known.

The reputation of NewVIc was without doubt improving but this needed to be seen in the context of increased competition particularly for A Levels.

The Committee AGREED following discussion:

1. To thank the Head of Marketing & Communications for such an informative presentations
2. To ask the Principal & Chief Executive to thank all staff for the positive position seen from the presentation at a time when all such activities as open days were taking place online

**8 ESTATES - UPDATE**

The Committee received an update on issues impacting on the planned capital project including:

* the arrangements for the planned recruitment of the New Build Manager continued
* two firms had expressed an interest in preparing the College Condition Survey and these were being evaluated before deciding on the preferred engagement
* the new requirement to publish data on gas, electricity and business travel by cars

It was appreciated that one decision to be taken when progressing the condition survey and the plans for the new build was how energy efficient was the College to be in the future. There was an expectation to aspire to excellence but for the older areas of the College there was a need to be pragmatic in terms of what could be achieved within the limitations of the funds available.

Members Healy and Willson confirmed their availability to assist the College Executive in any matter where estates expertise would be helpful.

The Committee AGREED to note the estates update and to look forward to hearing more as and when there were developments.

**9 HEALTH & SAFETY POLICY**

The Vice Principal Finance & Operations presented to the Committee the proposed updated Health & Safety Policy.

It was recalled that at the meeting on 4 November 2020 the Committee had considered the Health & Safety Policy Statement which was the document signed by the Chair of the Corporation and the Principal & Chief Executive and displayed as appropriate. The document now before the Committee was the more detailed statement which set out the roles and responsibilities of the key players including the Corporation, Principal & Chief Executive, mangers, staff and students.

To aid clarify and provide an appropriate focus the various related background documents (such as manual handling) had been removed from this document with the intention of publishing separately on the Staff Intranet.

The Committee AGREED following discussion to APPROVE the updated Health & Safety Policy which had been prepared with regard to the appropriate legislation and regulations and with regard to the HSE Managing for Health & Safety publication.

**10 HEALTH & SAFETY – UPDATE**

The Committee NOTED that the main focus of the recent actions relating to the health and safety of students and staff had continued to be linked to the Covid-19 pandemic including the setting up of the test centre.

The Vice Principal Finance & Operations drew attention to the range of information published via the College website including the risk assessments and a Q&A Statement aimed at, in particular, parents.

The Corporation would receive an update on the impact of Covid-19 at the meeting on 31 March 2021.

**11 STAFFING ANNUAL REPORT**

The Committee received and discussed the comprehensive Staffing Annual Report.

The Assistant Principal Student Services & Human Resources explained that a number of initiatives were being progressed including looking to introduce a new HR System, reviewing the basis for staff utilisation to provide financial benefits and the arrangements for the Staff Forum.

Members took the opportunity to seek clarification of the College position as set out in the report and it was noted that:

* there was no significant change in terms of the gender pay gap to that previously reported
* staff turnover had remained constant over the last three years
* more staff development opportunities had been delivered on-line than in the past
* the appraisal and performance management arrangements had been reviewed and were now more focussed providing a better platform for the future
* agency costs were higher than the College Executive would want and to help reduce a specialist agency – Morgan Hunt – had been engaged to support the College with the identification of agency workers to cover roles

The Principal & Chief Executive took the opportunity to advise the Committee that, following interviews, Irwin Mitchell had been engaged as the College’s solicitors and one early benefit was that training in absence management would be provided for the College.

It was noted that at the meeting of the Corporation on 31 March 2021 there would be a report and discussion on progressing the work of the Black FE Leadership Group including the approach to the implementation of the 10 Point Plan.

In terms of issues arising from the Staff Annual Report to be addressed, the following were identified as warranting attention:

* data on the recruitment of staff particularly in terms of gender and ethnicity and the numbers at each stage of the process – application, shortlisting and appointments
* the age profile of staff and if this prompted any issues to be addressed including in terms of succession planning
* understanding how the College supported the wellbeing of staff who experience stress and the impact on absence levels
* identifying the actions that could be taken by the College to support staff and in particular ethnic minority staff to develop their skills and experience so that they could be candidates for management positions as and when vacancies arose (the “grow your own” approach)

The Assistant Principal Student Services & Human Resources was asked to look again at some of the data and if all had read across correctly although it was appreciated that this did not impact on the key messages and the actions to be progressed.

The Committee AGREED following a wide ranging discussion:

1. to note that Annual Staffing Report
2. to look forward to receiving updates on the range of issues identified such as on the recruitment of staff

**12 EQUALITY & DIVERSITY POLICY**

The Committee received the Equality & Diversity Policy and noted that in the view of the College Executive it remained fit for purpose and was in line with legislation.

The Assistant Principal Student Services & Human Resources explained that it was planned to re-launch the College’s approach to Equality & Diversity in the academic session starting in September 2021 when, hopefully, the Covid-19 restrictions will be far less than at present. The College is also utilising its partnership with the Black FE Leadership Group to seek to ensure that there is a full impact on this key element of Equality & Diversity.

The Committee AGREED to adopt the recommendation that:

1. the current Equality & Diversity Policy be approved for continued application for the period up to 31 July 2021
2. the updated Equality & Diversity Policy be presented to the Committee at the meeting scheduled for 30 June 2021 for approval and application as from 1 August 2021.

**13 FE COMMISSIONER’S LETTER TO COLLEGES**

The Committee received and noted the FE Commissioner’s letter dated 22 February 2021 which included an explanation of the revised financial benchmarks used by the FEC Team as part of the intervention work.

It was explained that these FEC benchmarks were different to those stipulated by the ESFA for the purposes of all financial submission including the calculation of the financial health grade. In the circumstances and bearing in mind that the College is not within the scope of FEC intervention there was no suggestion that it was appropriate to change the Management Accounts and KPI reports.

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

The Committee received the report of the Principal & Chief Executive relating to the Key Performance Indicators (KPIs) for the College and, specifically, the ones to be tracked by the Finance & Resources Committee on an ongoing basis.

It was explained that, having regard to comments from Members at the recent meeting of the Curriculum, Quality & Engagement, the KPI report headings had been reviewed to aid clarity.

The recent College return to the ESFA had shown a drop in 16-18 year old students. The number of 19-24 year olds reflected those students who had joined the College as a 16-18 year old and continued beyond their 19th birthday such as a person on a Level 2 course who had had moved on to a Level 3 course.

It was appreciated that the finance related KPIs were as set out in the Management Accounts reviewed earlier in the meeting.

The Committee AGREED to note the information provided on KPIs and that these would continue to be refined in the light of experience and developments.

**15 FINANCIAL REGULATIONS – WAIVERS**

The Committee noted that the Chair of the Committee and the Chair of the Corporation had approved waivers of the Financial Regulations to enable the College Executive to progress without going through a full tender process (1) an application for capital support for T Levels and (2) the engagement of sub-contractors to utilise the ESFA 16-19 Tuition Fund Allocation.

It was explained that in both instances there was limited time available which made a tender process impossible if the College was to respond in time to the programmes set externally.

In the event it was found that there were too many issues to address and, therefore, the College would not be progressing the T Level application.

A Member asked if the College was missing out on funding opportunities many of which became available with limited application times by not having “on the shelf” possible estates related schemes. It was explained that, once the Condition Survey and Property Strategy were in place, the College would have evidence of what could form the basis of a funding support application to the ESFA or other appropriate organisation prepared to offer funds to colleges. This would include sustainability related schemes within the older parts of the College site.

The Committee AGREED:

1. to note the actions of the Chair of the Committee and the Chair of the Corporation in approving two waivers to the tender arrangements set out in the Financial Regulations
2. to note that at the meeting scheduled for 30 June 2021 the Committee will receive a proposed update to the Financial Regulations for application in 2021/22 and account will be taken of the tender arrangements and the basis for seeking approval to any variations (eg at what levels is it appropriate to seek the approval of (1) the Chair of the Committee and the Chair of the Corporation, (2) the Finance & Resources Committee and (3) the full Corporation to expenditure to a proposed approach) .

**16 BANK LOAN**

The Vice Principal Finance & Operations advised the Committee that the College had a 5 year fixed rate bank loan from Lloyds which ended in December 2022.

Given the decision of Lloyds to move away from the use of the London Inter-Bank Offered Rate known as LIBOR it would be necessary to review the documentation associated with the loan. It was stressed that this change would not increase the cost of the loan for the College.

The Committee AGREED to note the position with regard to the current bank loan from Lloyds.

**17 CALENDAR OF MEETINGS – 2020/21**

The Corporation NOTED the date of the final planned meeting to take place in 2020/21:

* Wednesday 30 June 2021 at 4 pm

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

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