**The Corporation of Newham Sixth Form College**

**Finance & Resources Committee**

**Minutes of the Meeting held on 29 June 2022**

**Members**

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

**Non-Members in attendance**

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| --- | --- | --- |
| Michael Gainlall | Vice Principal Finance & Operations  | Present  |
| Robin Jones | Clerk to the Corporation | Present  |

**1 MEMBERSHIP OF THE FINANCE & RESOURCES COMMITTEE**

The Committee noted that Karen Flanagan had been appointed to serve on the Corporation and the Finance & Resources Committee as the Support Staff Member as from 1 June 2022.

The Chair, on behalf of the Committee, welcomed Karen Flanagan to her first meeting of the Finance & Resources Committee.

All present introduced themselves.

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

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

The meeting was quorate from the beginning and throughout.

The Principal & Chief Executive took this opportunity to report that Susanne Datta, Executive Director of Human Resources & Organisational Development, was currently away from College and, therefore, was not available to present her report on the Staff Survey.

**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 9 MARCH 2022**

The Minutes of the meeting of the Finance & Resources Committee held on 9 March 2022 were agreed to be a correct record.

**5 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 9 MARCH 2022**

The Committee noted that there were no matters arising from the Minutes of the meeting of the Finance & Resources Committee held on 9 March 2022 which were not covered by the published Agenda.

**6 CONFIDENTIAL ITEMS OF BUSINESS**

The Committee considered items of business which were regarded as being confidential and, therefore, Karen Flanaghan left the meeting and returned for the remainder of the Agenda as set out below.

The Minute relating to the confidential items of business will be available for reference by the Independent Members, the Parent Member and the Principal & Chief Executive but not, on this occasion, the Staff and Student Members on the Corporation.

**7 STAFF SURVEY**

The Committee received the report on the Staff Survey prepared by the Executive Director of Human Resources & Organisational Development although in her absence was presented by the Principal & Chief Executive.

The Committee noted the key background points including:

* QDP, an independent research organisation, were commissioned to run the latest survey
* The College had in the past participated in the York Survey which involved less colleges for comparison purposes than was possible via QDP
* The survey ran for 3 weeks staring on 19 April 2022
* All establishment staff were invited to participate – SLT as well as casual and agency workers were not involved
* The response rate was 62.6% which although below the target of 70% set by the College was well above what had been received in the past in response to the York Survey
* As well as a number of set questions staff were given the opportunity to comment in a free text section

The Principal & Chief Executive took the Committee through the report and, in doing so, highlighted the 5 key areas of strength and the 5 areas where the College needs to do better based on the responses from staff.

There was no doubt in the view of the Principal & Chief Executive that the industrial action earlier in the year had impacted on the responses although this was not the only factor. For example in the past year the College has returned to onsite working following the pandemic and the completion of the staff restructuring.

The Committee noted that the outcomes from the survey had already been shared with the College Managers and the Staff Forum. All staff would be briefed on 5 July when there would also be feedback from the sessions with the College Managers and the Staff Forum.

The session with College Managers had focussed on such aspects on how does the College do more of what staff think is already being done well so as to build on that practice.

A Member of the Committee asked the Principal & Chief Executive to outline the 3 things that would make the College a better place based on the outcomes from the survey as well as his own intuition. The immediate thoughts related to the areas of organisational values and culture, staff feeling valued at College the work/home life balance which was also mentioned later in the discussion.

Another Member asked about the response to the question about Health & safety and specifically feeling safe at work and the work/home life balance. It was thought by the Executive that this was one aspect of the survey where the responses reflected how the survey question was worded. It was acknowledged that the work/home life balance was indeed an important consideration and it was for this reason that the College was now closed at 6pm so that staff were not tempted to stay later.

Of some concern the outcome from the Staff Survey showed a divide between what was thought by teaching staff and the views of support staff. This had been exacerbated during the recent industrial action by some teaching staff and was a priority to be addressed by the Executive.

The Committee agreed following discussion:

1. To receive and NOTE the report on the outcomes from the recent Staff Survey
2. That the key points from the Staff Survey are drawn to the attention of the Corporation on 13 July 2022
3. A briefing be presented to the next meeting of the Committee on the feedback from the Staff Forum and those areas where action is being taken by the College to bring about improvements for the benefit of staff.

**8 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 following points:

* The financial KPIs mirror the Management Accounts presented to the Committee as part of the Agenda pack for this meeting
* In all respects the performance was better than the targets for the year
* The ESFA funding allocations for the latest period skew the positive performance of the College to an even greater extent than would otherwise be the case including in terms of staff costs as a percentage of income

In response to a question from a Member it was confirmed that the Curriculum, Quality & Engagement Committee had at the recent meeting (16 Junr 2022) reviewed the KPIs falling within the Terms of Refernce of that Committee.

The Committee AGREED following discussion:

1. To note the KPIs as presented
2. To look forward to receiving further updates at future meetings of the Committee

**9 ESFA FINANCE DASHBOARD**

The Committee received and noted the ESFA Finnace Dashboard which was thought to be a helpful and helpful way in presenting such data.

**10 MANAGEMENT ACCOUNTS – APRIL 2022**

The Committee received the Management Accounts for April 2022 (Period 9 of 2021/22).

The Vice Principal Finance & Operations explained that the allocation for Growth Funds was being paid by the ESFA on a monthly basis during the period March to July 2022.

A Member asked if the College had used the contingency allocation approved for 2022/23 as a result of the College receiving less hardship funds from the ESFA than in the past due to the change in the basis for calculating the disadvantage factor.

To date none of the contingency allocation had been used as it had not proved to be necessary. It was stressed that applications for support had been considered on the same basis as in the past and all approved cases had been funded accordingly.

The Committee agreed to NOTE:

1. the Management Accounts for April 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 April 2022 were 238 days which meant that the College retained the “outstanding” status based on the ESFA criteria
3. That the College continued to track and give careful scrutiny to non pay and pay costs having regard to the approved Budget for 2021/22.

**11 INCOME & EXPENDITURE BUDGET 2022/23 AND FINANCIAL PLAN 2023/24**

The Committee received and discussed the proposed Income & Expenditure Budget for 2022/23 and the Financial Plan for 2023/24.

The Committee recognised that:

* The College funding position had benefited from the student numbers enrolled in the current year and were now reflected in the ESFA allocation for 2022/23
* Inflation on a range of supplies including energy which could double over the next 12 months would impact adversely on the anticipated positive impact from the increase in ESFA funding levels
* Pay costs provided a particular challenge – staff unions were seeking substantial increases given the cost of living position with the AoC having offered and had rejected a 2.5% increase – the SFCA position was awaited with interest
* The College draft budget made provision for a pay increase but at the time of this meeting there was no idea if this would be sufficient although it was thought that, based on affordability across the sector, it was unlikely that the SFCA would be suggesting a large increase
* It was known that the College would need to cover a significant increase in examination costs in 2022/23 and beyond
* The capital investments would increase the depreciation costs to be met from revenue

The Principal & Chief Executive drew to the particular attention of the Committee the requirement to increase the Guided Learning Hours (GLH) for students by 40 in 2022/23 and beyond. The College approach was to appoint 5 additional staff to be designated as Skills Builders with a focus on supporting students to develop their skills. The costs would be met in part from the additional ESFA allocation linked to the increase in GLH.

The College was also continuing to focus resources on the mental health and wellbeing of students. An additional Mental Health Adviser was being appointed to help meet the ever increased demands on the College from students needing support.

The level of the pay award in 2022/23 was of particular interest and concern to Members.

It was recognised that an increase in pay levels was essential so that staff were rewarded and retention and recruitment were not adversely affected. However, there was bound to be an affect on the expectation of the FE Commissioner that pay costs would be around 70% of income for a sixth form college. Currently the College was at 68.9% but this was would increase in the future based on all projections.

A related factor was the long-term impact of increased pay levels. The College could afford an increase of, say, 4% in 2022/23 but as the College was now at capacity in terms of student numbers there would not be any more substantial increases in income from the Growth Fund.

The Committee agreed following discussion:

1. to RECOMMEND to the Corporation on 13 July 2022 that the Income & Expenditure Budget for 2022/23 and the Financial Plan for 2023/24 be approved
2. to note in particular the sensitivity analysis which was part of the comprehensive report
3. to draw to the attention of the Corporation the risks associated with Annual Budget including those associated with pay costs and energy costs.

**12 FINANCIAL REGULATIONS**

The Committee received the report prepared by the Vice Principal Finance & Operations following the discussion on the Financial Regulations at the meeting of the Committee on 9 March 2022.

The Committee agreed:

1. to NOTE the comments with regard to preferred suppliers and the implications on the arrangements set out in the Financial Regulations
2. to seek approval from the Committee on the arrangements for approving expenditure which was more than that delegated to the Principal & Chief Executive in the Financial Regulations – specifically what amounts and who approval should be sought from ie the relevant Chairs, relevant Committee or the whole Corporation

Rather than wait until the next meeting it was agreed that the clarification of the Financial Regulations approval requirements be addressed via a briefing note and consideration by Members under the Written Resolution arrangements so that the position was absolutely clear as from 1 August 2022.

**13 PURCHASE OF COMPUTERS**

The Committee NOTED that the College had recently purchased 100 computers at a cost of £98,000 including VAT following a tender process and obtaining an additional quotation.

The new machines have now been installed in the IT labs.

**14 FEES POLICY – 2022/23**

The Committee APPROVED the Fees Policy for 2022/23.

In response to a question from a Member the Vice Principal Finance & Operations confirmed that the Fees Policy would be communicated to staff and students so that there was clarity of what can be charged by the College in given circumstances.

**15 ESTATES - UPDATE**

The Committee received the report of the Vice Principal Finance & Operations which provided Members with an update on matters relating to the College estate.

It was noted that the New Build Task & Finish Group had met on 14 June 2022 to consider the range of issues involved in some detail.

In response to points raised by Members it was explained that:

* The profile of spend on the New Build was being prepared with assessments of the land valuation and affordability of project options being progressed
* It was anticipated that around £400k would be invested in the College IT systems in the coming year
* The College IT and Digital Strategy had been delayed due to the Covid pandemic but would be progressed in 2022/23

The Committee agreed:

1. to NOTE that the Estates Update
2. that the aspects of the Quality Improvement Plan (QIP) of direct interest to the Finance & Resources Committee such as the IT Strategy would in future be a standing item on the Agendas for this Committee
3. to look forward to receiving further updates on the College Estate at future meetings of the Committee.

The next meeting of the New Build Group was scheduled for 10 October 2022 and an update on key issues would be presented to the Committee on 19 October 2022.

**16 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 continue to be prepared for consideration by the College Health & Safety Committee – 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 mentioned previously including payments and the introduction of a rota were now in place
* Fire drill had now taken place – the first since the Covid arrangements were put in place
* Plans for staff training in 2022/23
* Accidents and incidents reporting
* Risk assessments updates

Members were invited to seek clarification and comment on the report.

A Members enquired about staff and students with Personal Evacuation Plans. A briefing note would be provided on the numbers covered and how they were supported.

In terms of accidents it was confirmed that most were sports related or people feeling unwell. Very few could be attributed to the College estate.

Finally it was confirmed that the College arranged annual testing for legionnaires.

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

**17 CALENDAR OF MEETINGS – 2021/22**

The Committee NOTED that subject to the approval of the Corporation and Committee Calendar on 13 July 2022 future meetings of the Committee would take place on:

* Wednesday 19 October 2022
* Wednesday 30 November 2022
* Wednesday 1 March 2023
* Wednesday 28 June 2023

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.

Finally it was agreed that a 4pm start to meetings was convenient for all concerned.

**18 GOVERNANCE REVIEW**

The Committee took the opportunity of this being the last scheduled meeting of the year to discuss the operation of the Committee and if there were any learning points to be addressed for the future.

Members were of the view that the responsibilities of the Committee had been progressed well over the last year with the Chair providing clear leadership when addressing the issues presented.

As agreed earlier in the meeting the inclusion of the Quality Improvement Plan (QIP) on future Agendas would be an appropriate addition to the work programme so that the Committee had the opportunity to review and challenge progress as appropriate.

**19 FINANCE & RESOURCES COMMITTEE – TERMS OF REFERENCE**

The Committee received the proposed update to the Terms of Reference for the Finance & Resources Committee.

The suggested addition of the phrase “The Committee is not to adopt an executive role” was highlighted.

The Clerk explained that this phrase had been included in the Terms of Reference of the Audit & Risk Committee for some time and it was now proposed that it was added to all such documents.

It was recognised that there was not always a clear line between governance and management but when conducting business it was important that all concerned had regard to the different but complementary roles of the Corporation and the Executive.

The Committee agreed to RECOMMEND to the Corporation on 13 July 2022 that the Terms of Reference be updated as from 1 August 2022 on the basis presented.

The Chair thought that having the Terms of Reference included with the Agenda pack for all future meetings was a useful prompt when considering issues presented. This would be actioned in 2022/23.

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