**The Corporation of Newham Sixth Form College**

**Finance & Resources Committee**

**Minutes of the Meeting held on 30 June 2021**

**Members**

|  |  |  |
| --- | --- | --- |
| 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 | Apologies |

**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 the apologies for absence submitted by Graham Willson who was unable to attend due to a family bereavement.

Kieran Healy was not present at the beginning of the meeting but would be joining shortly.

Laura De Vos advised that she would need to leave the meeting before the scheduled end due to a College commitment.

The meeting was quorate from the beginning.

**2 DECLARATIONS 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 24 MARCH 2021**

The Minutes of the meeting of the Finance & Resources Committee held on 24 March 2021 were agreed to be a correct record.

**4 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 24 MARCH 2021**

The Committee noted that there was only one matter arising from the Minutes of the meeting of the Finance & Resources Committee held on 24 March 2021 – all others were covered by the published Agenda.

It was recalled that at the last meeting the Vice Principal Finance & Operations had reported it would be necessary to review the terms of the bank loan which ended in December 2022 given the decision of Lloyds to move away from the London Inter-Bank Offered Rate (LIBOR).

In response to a question from a Member the Vice Principal Finance & Operations advised that there were no developments and the onus to make progress rested with the bank.

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

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

It was noted that the target column related to 2019/20 and not 2020/21; this would be addressed by the Executive on future occasions.

The Vice Principal Finance & Operations explained that the latest version of the KPIs did not tie in with the Management Accounts for April 2021 as presented to the Committee due to timing issues. The intention was to align the dates and therefore the data more closely in the future.

The Committee recalled that the KPIs and other reports would reflect the issues flowing from the Ten Point Plan as appropriate. It was confirmed that the intention was to address these points in the Staffing Annual Report to be presented to the Committee at the Spring Term meeting. The current implementation of a new HR and Payroll system should make the preparation of reports far easier than in the past. Data would be accessible.

Arising from the Ten Point Plan it was suggested that it was appropriate to report on the ethnicity pay gap in a similar way to the gender pay gap.

The Committee AGREED:

1. To note the KPIs as presented
2. To look forward to receiving updates at future meetings which would have due regard to the discussion outlined above including what would be added to the Staffing Annual Report and the publication of the ethnicity pay gap as well as the gender pay gap.

**6 FINANCIAL HEALTH**

The Committee received and NOTED (1) the letter from the ESFA dated 13 May 2021 which confirms that the financial health of NewVIc is “outstanding” and (2) the associated Finance Dashboard.

**7 FINANCIAL ASPECTS OF ACADEMISATION**

The Committee received a report which provided a financial summary of Academy conversion which addressed some of the issues arising from the discussion at the Special Meeting of the Corporation on 28 April 2021.

The Principal & Chief Executive highlighted the anticipated financial benefits for NewVIc if converting to an Academy – these amounted to about £750k every year and were as a result of such factors as VAT reclaim on goods and services, business rates and Teachers’ Pay Grant.

The Corporation was advised at the Special Meeting that one drawback from being an Academy is that it was not possible to borrow commercially. However, with an already substantial loan, it would not be possible to take out further borrowings. Also academies are eligible for the Condition Improvement Fund which would provide a flow of funding for the College.

The Committee agreed to NOTE:

1. the summary of the financial aspects of Academisation including the anticipated annual benefit of about £750k for NewVIc if the College was to covert from a Sixth Form College
2. the Corporation would receive a detailed report at the meeting on 14 July 2021 covering all aspects of Academisation with due regard to the points raised during the Special Meeting on 28 April 2021 and recent national developments such as the speech by Baroness Berridge, Schools Minister, to the SFCA Conference and circulated to Members of the Corporation for information.

*Note: Kieran Healy joined the meeting during item set out above have experienced IT difficulties to gain access*

**8 MANAGEMENT ACCOUNTS – APRIL 2021**

The Committee received the Management Accounts for April 2021 (Period 9 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.

Particular attention was given to the uneven income profile from the ESFA where the months of August and April saw colleges receive far more than in other months. This meant that data set out in these Management Accounts (for April) including the KPIs were skewed particularly in terms of the staffing costs ratio.

A Member asked for clarification of the income to be received from the Local Authority which although showing to have an out-turn in line with the original budget was £178,489 lower than the actual in 2019/20. The Vice Principal Finance & Operations advised that it was too early to give an assurance that the budget would be exceeded given payments already received for earlier periods he had confidence that the final amount would be near to the actual for 2019/20.

The Committee agreed to NOTE:

1. the Management Accounts for April 2021 including the income position from the Local Authority
2. that the Management Accounts would be published on the password protected Governor Access Area so that they were available for all Members.

**9 ANNUAL BUDGET 2021/22 AND FINANCIAL PLAN 2022/23**

The Vice Principal Finance & Operations presented the Annual Budget for 2021/22 and the Financial Plan for 2022/23.

The Committee recalled that Members had received an overview of the ESFA funding allocation for 2021/22 at the meeting on 24 March 2021 and this provided the framework for the Annual Budget and the Financial Plan.

There items were the subject of particular focus:

* the Budget as presented including the cashflow forecast provided an allocation for the initial revenue costs associated with the New Build project and it may prove to be appropriate to commit some capital funds in the coming year
* the national research and discussions indicated that the true cost of SEND provision was substantially underfunded and this impacted on colleges such as NewVIc
* the recent national review of disadvantaged factors had impacted adversely on the funding allocation to be received by the College specifically to support students in need – the methodology looked at areas such as Newham as a whole and, therefore, housing developments in such places as Stratford and Canning Town where it was thought better off people were moving into disguised the reality that there were still large numbers of disadvantaged families and this included students who would be attending NewVIc but only if they had financial support.

Focussing on in particular the third point above, Members thought that consideration be given to making provision in the Budget to cover at least part of the reduction in ESFA funding to support students. One of the likely outcomes of not doing anything was that some students would leave during their courses on financial hardship grounds.

An option worth examining to make some additional funding cover for students was to reduce the projected end of year surplus by say £100k to establish a contingency for this specific reason. Clearly, if it was found that a business case could be made to the ESFA for an additional allocation to support students then the contingency would not be needed.

In all other respects the Annual Budget and the Finnacail Plan were supported for presentation to the Corporation for approval.

The Committee AGREED following discussion:

1. to note the proposed Annual Budget for 2021/22 and the Financial Plan for 2022/23 as presented by the Executive
2. to note the Executive Summary would be updated to reflect the amounts set out in the detailed papers to ensure consistency
3. that it was appropriate to review the amount to be allocated to support students given the substantial reduction in ESFA funding as a result of the review of the deprivation factor for Newham
4. to authorise the Chair of the Committee to consider and approve on behalf of the Committee a proposal to be provided by the Executive to establish a contingency to support students in financial hardship over and above the ESFA allocation
5. to recommend to the Corporation on 14 July 2021 that the Annual Budget for 2021/22 and the Financial Plan for 2022/23 be approved having regard to the decision of the Chair of the Committee relating to establishing a contingency for students in financial hardship.

*Note: Laura De Vos left at this point of the meeting due to another College commitment*

**10 FINANCIAL REGULATIONS – REVIEW FOR 2021/22 and BEYOND**

The Committee received the proposed revised Financial Regulations which incorporated several proposed updates in the light of changes and earlier comments made by the Committee.

The Vice Principal Finance & Operations was invited to outline the proposed updates:

* the appointment of a Finance Manager – previously designated Head of Finance
* the designation of the post of Assistant Principal Student Services and Human
* Resources
* Quotations (Section 5.6 (i))
* Exceptions to the standard tendering procedures due to insufficient time and the authority delegated to the Chair of the Finance & Resources Committee and the Chair of the Corporation to waive the arrangements
* The value of hospitality of gifts and hospitality to be reported for inclusion in the College Register to be £50 plus (Section 8.13)
* Tender opening arrangements including when an external company is acting for the College (Section 3 of Annex B)

A Member asked for clarification of the respective roles and responsibilities of the Corporation and Executive in the context of the approval of fees etc for the proposed new build project.

The Committee AGREED following discussion:

1. To APPROVE the updated Financial Regulations as presented to the Committee for operation as from 1 August 2021 with a review by 31 July 2024 or earlier in the light of developments
2. That the Executive provide the Members of the Committee by 7 July 2021 with a summary note setting out the respective roles and responsibilities of the Corporation and the Executive in terms of approving engagements and, therefore, expenditure associated with the new build project and, in doing so, to highlight the need for an early changes to the updated Financial Regulations
3. To note from the covering report that a new Financial Crime Policy would replace the references in the Financial Regulations to fraud (this would be presented to the Corporation on 14 July 2021 on the recommendation of the Audit & Risk Committee).

**11 FEES POLICY – 2021/22**

The Committee APPROVED the Fees Policy for 2021/22 as presented.

**12 HEALTH & SAFETY – UPDATE**

The Committee received an update on Health & Safety issues from the Vice Principal Finance & Operations.

The update covered the following key areas:

* Preparation of Codes of Practice – to date three had been completed covering Accidents & Incidents, Asbestos and Control of Contractors
* First aiders and the introduction of remuneration for carrying out the role
* Fire Wardens – review having regard to the changes in the curriculum structure with training to be provided
* Training planned for 2021/22
* Accidents and incidents – only 2 reported although this small number may be due to the restrictions placed on the College due to Covid – review of reporting system to be carried out
* Risk assessments continue to be updated having regard to Covid

It was also explained that some of the one way systems introduced as a result of Covid have now been removed – all arrangements including for the Learning Resource Centre continue to be reviewed.

Corporation Member Martin Rosner who has the Link Member role for Health & Safety reported that he had met recently with the Vice Principal Finance & Operations and he was pleased to be able to report that he was satisfied with the Health & Safety processes in place in the College. Particularly noteworthy were the introduction and updating of relevant Codes of Practice, the approach to the training of new staff and keeping risk assessments up-to-date.

Finally, Martin Rosner spoke of how impressed he had been throughout the past year on the College’s approach to providing a Covid secure environment. This was an enormous task and all those involved should be commended for what they have achieved.

The Committee AGREED:

1. To NOTE the Health & Safety update as presented by the Vice Principal Finance & Operations
2. To NOTE the comments by the Corporation’s Link Member for Health & Safety on the satisfaction with the College’s Health & Safety processes
3. To join with the views expressed by Corporation Member Martin Rosner with regard to commending all those involved in the College’s response to Covid and all that had been achieved.

**13 NEW BUILD TASK & FINISH GROUP**

*Note of explanation: At this point of the meeting given the withdrawal of Laura De Vos all those Members present had attended the meeting of the New Build Task & Finish Group the previous afternoon and, therefore, the issues were not discussed again at any length*

The Committee AGREED:

1. to recommend to the Corporation on 14 July 2021 that the Terms of Reference as presented, including the proposed membership, be approved as the basis for the establishment of the New Build Task & Finish Group
2. to recognise that the Terms of Reference would need to be kept under review in the light of experience and developments including agreement as to the various roles and responsibilities.

**14 ESTATES - UPDATE**

The Committee received and noted an update on issues impacting on the planned New Build capital project which in the main had been covered in detail by the New Build Task & Finish Group the previous afternoon, 29 June 2021.

One issue was highlighted – the Post 16 Capacity Bid for £2.4m to increase teaching spaces and re-engineer social and recreational spaces. Although the Funding Body has been in contact with the College to seek additional information, there was no indication as yet as to when the final decision would be made known. This was a concern as there was a limited timeframe to plan and deliver such a project as it was understood that the allocation had to be spent by August 2022.

The Committee agreed following discussion:

1. To note the estates update
2. To note the position with regard to the Post 16 Capacity Bid and to look forward to hearing the outcome as soon as this was announced by the Funding Body.

**15 EQUALITY & DIVERSITY POLICY**

The Committee APPROVED the updated Equality & Diversity Policy for the period 1 August 2021 to 1 April 2024 which incorporated the College’s Equality & Diversity Strategy.

As with all policies the contents would be the subject of ongoing review in the light of experience and developments and the need for any changes would be made known to the Committee as soon as practicable.

**16 STAFFING ANNUAL REPORT**

The Committee noted that, as requested by Members at the meeting on 24 March 2021, the comprehensive Staffing Annual Report had been updated and circulated via email on 28 April 2021.

The Assistant Principal Student Services & Human Resources advised that the implementation of the new HR & Payroll System would enable a far greater range of data to be provided and this included those aspects of the 10 Point Plan prompted by the Black FE Leadership Group.

Two other issues were highlighted:

1. The College had recently changed the Occupational Health Adviser in the light of experience and feedback
2. The College training day taking place later in the week would focus on staff wellbeing

The Committee AGREED following a wide ranging discussion:

1. to note the updated Annual Staffing Report and the information on the Occupational Health Adviser and staff wellbeing
2. to look forward to receiving the next Annual Staffing Report at the meeting scheduled for 9 March 2022 which address a range of additional issues such as those arising from the 10 Point Plan.

**17 CALENDAR OF MEETINGS – 2021/22**

The Corporation NOTED the proposed Calendar of Meetings for 2021/22:

* Wednesday 10 November
* Wednesday 1 December
* Wednesday 9 March
* Wednesday 29 June

All meetings to commence at 4pm unless otherwise agreed.

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

Members recognised that there was only 3 weeks between the proposed meetings on 10 November and 1 December. The reasons were explained with the need for Members to have sight of the end of year out-turn for 2020/21 and the Management Accounts for September 2021 as soon as practicable. The main focus of the meeting on 1 December 2021 would be the draft Financial Statements before presentation to the Corporation on 15 December 2021.

The Executive and Clerk would have due regard to an appropriate spread of items for the two meetings scheduled for the Autumn Term.

**18 FINANCE & RESOURCES COMMITTEE – REVIEW OF 2020/21**

The Committee reviewed the approach to the conduct of business in 2020/21 with particular regard to the fact that this was the first year of operation of the Finance & Resources Committee.

The Committee AGREED following discussion:

1. That there was no need to suggest any changes to the Terms of Reference or the approach to operating other than to acknowledge that it would be good to meet on occasions in person and not online in the coming 12 months
2. To thank all involved in the work of the Committee during the past year and, in particular, Simon Mayfield for his role as Chair of the Committee

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