

MEETING OF THE FINANCE, RESOURCES AND COMMERCIAL COMMITTEE

TIME/DATE 10.00AM Wednesday 06 October 2021

VENUE remote by Microsoft teams

Mr. P Han (Chair)
Mr. S Pierce
Mr. J Pinsent
Mr. N Shore
Dr. D Balsamo
Mr A. Owen

External Governor
Principal
External Governor
External Governor
External Governor
External Governor

IN ATTENDANCE

Mr. I Johnson
Mr. R Garcha
Mrs. L Lloyd-Williams
Mr. M Doyle
Mr J Hays
Mrs. J Callaghan
Mr. W Sullivan
Miss C Bibby

Head of Finance
CFO
Governance Director
Deputy Principal
Director of HR
Director of Marketing
Head of Estates
Executive Assistant

Italics denotes absence

DRAFT MINUTES

The meeting opened at 10:02 and was quorate.
1 APOLOGIES FOR ABSENCE Apologies were received and accepted from Mr Shore, Mr Owen and Mrs Lloyd-Williams
2 DECLARATIONS OF INTEREST There were no declarations of interest.
3 NOTIFICATION OF URGENT BUSINESS There was no urgent business.
4 MINUTES OF THE PREVIOUS MEETING HELD ON 23rd June 2021 Minutes of the previous meeting were approved as a correct record.
5 MATTERS ARISING The action related to the Estates Group had now been completed. The CFO advised that Ellis Whittam had since conducted a follow up audit review and that he would circulate this updated report to FR&C once received.
6 FINANCE
6A Enrolment update

The CFO advised that the 16-18 internal target would not be met, resulting in approximate shortfall in 2022/23 of £330,000, while adult and Advanced Learner Loans enrolments were on track to reach target. The committee were informed that similar trends in 16-18 recruitment appeared to be mirrored across the vocational FE sector, due to higher GCSE results leading to more students to study A Levels and due to more vacancies in the workplace in sectors such as care and hospitality.

The Director of Marketing joined the meeting at 10:15

The Chair asked whether recruitment levels for adults were comparable to recruitment patterns pre-pandemic. The CFO advised that recruitment levels were as expected in a 'normal' year and that targets had been profiled across the year, with enrolment numbers above profile for this point. The Principal explained that adult enrolments seemed to be of higher value this year, meaning that income may be higher than target. This would be confirmed by the next data return (R02).

It was noted that apprenticeships enrolments were on target and large volumes of enquiries continued to be received. The College was also working on pre-apprenticeship activities for those applicants who were not yet at the right level to start an apprenticeship.

The CFO clarified that while the report stated that HE was on track to reach target, HE Engineering enrolments now appeared 25-30 lower than target. The Director of Marketing reported that due to staffing shortages employers may be reticent to let employees take time to study.

The Chair asked for the Principal to give an enrolment update to the next meeting of the Governing Board to allow for sufficient planning time should any emerging issues materialise.

6B July management accounts & KPI dashboard

The Head of Finance reported that at year end cash balances continued to be strong, although the surplus had reduced by around £70k due to an increase in the expected clawback of the non-devolved AEB allocation.

The Head of Finance gave a verbal update on August management accounts which indicated that costs were £100k below budget due to a high vacancy factors. Cash position remained strong, however future factors such as a bank loan repayments, NI increase and lower 16-18 allocation in 2022/23 needed to be considered.

The Principal advised that the high vacancy factor (28 vacancies) remained a challenge although some roles had now been filled. In other areas, vacancies were removed where recruitment had been lower than expected. Governors questioned whether this level of vacancies was affecting teaching capability and delivery to students. The Director of HR advised that cover was provided by staff and managers, and that an agency had been instructed to provide short term supply in light of the higher than usual turnover. Those vacancies with the greatest potential impact were prioritised. Governors asked whether an imminent announcement of the pay rise was planned. The Principal recommended that an announcement was made in the new year, dependent on enrolment in the Autumn term, but work was ongoing to model this. Governors asked the Executive to strongly consider whether an earlier announcement would be possible as finances appeared strong and this

may improve staff morale and help reduce the number of vacancies. The Director of HR cautioned that the pay award itself would not be risk free and could result in strike action.

The CFO advised that the FE Commissioner had commented that forecasting was robust and management accounts contained good levels of detail. The CFO predicted 'Good' financial health for this year.

7 FINANCIAL REGULATIONS

The CFO advised that Audit Committee had approved the changes to the Financial Regulations. These were noted.

8 LIBOR Transition Proposal

The CFO presented the proposal that the College moves from the LIBOR benchmark referenced in its loan documentation, which is being phased out at the end of the year, to the Bank of England base rate. Due to the fixed-rate nature of the college debt this would not change the interest rate on the College loans.

The Committee recommended the proposal to Governing Board for approval.

9 HR REPORT

The Director of HR presented the report for 2020/21 which showed that staff turnover was down on the previous period. This was expected to rise in 2021/22 due to pay issues. Sickness absence was also low in 2020/21, excluding Covid related absence, and this was expected to rise in 2021/22 and would be monitored. The reporting and monitoring of Covid related absences would be considered going forward.

[REDACTED]

[REDACTED]

Governors questioned whether the restructure of pastoral delivery was complete, with all Progress Coaches in position, and what impact this had had. It was noted that the changes were now in place, with more structure to the overall pastoral offer, although it was too early to assess impact, the recent Ofsted monitoring visit had highlighted positive early indicators.

It was noted that staff health and wellbeing, including mental health, was a priority for 2021/22. The Deputy Principal informed the committee that the College had been part of a bid for specific academic CPD.

10 GENDER PAY GAP REPORT

The committee heard that this report was a statutory requirement however this had been delayed due to the Covid-19 pandemic. No issues had arisen from the report. The report was noted.

11 COMMERCIAL UPDATE REPORT

The Director of Marketing presented the end of year report 2020/21, which showed a commercial budget deficit of circa £370,000 due to pandemic related issues such as cancelled short full-cost course provision and the inability to open Colours restaurant and internal catering outlets. Governors asked how the removal of CITB apprentices would

lead to increased College income. JC advised that [REDACTED] had apprentices for whom they paid the College a full-cost amount to deliver a technical certificate. [REDACTED] were no longer offering apprenticeships so these employers were expected to come directly to the College for their apprenticeships and apprentices would therefore be enrolled on as full apprentices, which had a higher income value. The Chair asked if there was proof of a direct correlation between those apprentices that would have been on [REDACTED] contracts and the Director of Marketing confirmed that the College knew which employers had used [REDACTED] and these were now coming to the College directly. Mr Pinsent reminded the committee of issues that Knowsley College had had with one of the employers listed as an opportunity and urged staff to ensure all paperwork relating to training for this employer was checked thoroughly.

12 HEALTH & SAFETY

This item was deferred as the report was not produced timely.

12A HEALTH & SAFETY POLICY

The Head of Estates joined the meeting at 11:33

The Head of Estates advised that the College's H&S policy had been reviewed by the College's H&S consultant and changes made were highlighted in red. Jim Pinsent asked for any references to 'the company' or 'the school' to be changed to 'the College'.

ACTION: Head of Estates to update policy ahead of Governing Board meeting.

The Committee recommended the proposal to Governing Board for approval.

The Head of Estates, Head of Finance, Director of HR and Director of Marketing left the meeting at 11:39.

13 GOVERNANCE

The list of confidential items was approved.

14 MATTERS ARISING UNDER FINANCIAL REGULATIONS

There were no matters arising.

15 URGENT ITEMS

None.

16 DATE & TIME OF NEXT MEETING

10am 24th November joint for one hour with Audit.

The Chair and Mr Pinsent expressed that they would prefer the next meeting to take place in person.