

**Minutes of the Finance & Resources Committee meeting FRC22.4 held on Monday 12 June 2023
Long Road Sixth Form College, Cambridge**

Present: Sophie Harrison (FRC Chair), Yolanda Botham (Principal), Alex Curnow, and Abby Futter

In attendance: Charlotte Hemmins (Finance Director), Charlotte Muir, HR Manager (part meeting)

Clerk: Anne-Marie Diaper

Ref **Actions:**

FRC22.4.1 Apologies for Absence

Apologies for absence were received from Gerry Bolton. The Clerk confirmed that the meeting was quorate.

The HR Manager joined the meeting at 10.02am

FRC22.4.2 Declarations of Interest

None

FRC22.4.3 Minutes of the last meeting: FRC22.3 Wednesday 26 April 2023

With no suggested amendments, the minutes of the last meeting were agreed as a true and accurate record of the meeting.

FRC22.4.4 Matters arising

None

FRC22.4.5 HR update

The HR Manager presented her written report drawing out the highlights for discussion. She covered recruitment, including some cases where colleagues had worked with new recruits who had not completed their probationary period, and staff sickness figures, including that related to stress (now benchmarked), the gender pay gap, and an overview of how the HR plan would support the College strategic plan.

A Governor asked about what factors attracted new people to work for LRSFC, noting the difficult local recruitment market, and the HR Manager gave an overview of the many benefits.

The committee thanked the HR Manager for the report.

FRC22.4.6 Committee review of key policies

Though it was not listed on the agenda for discussion at this time (see FRC22.2.7), the HR Manager wished to report to the committee on the progress on reviewing the Harassment policy.

Ref

Actions:

She advised that the plan was to transfer some of the content of that policy (section 1.2, including definition of harassment) to the College staff code of conduct, which would be brought back for approval through the committee, and remove/withdraw the existing standalone harassment policy.

HR Manager

Home working policy. This was a new policy presented to the committee for approval. The HR Manager advised that the policy would be beneficial to retention and recruitment. One further small amendment to the policy was necessary to the policy, about the requirement for newly appointed employees to work on site during some of their probationary period before invoking the policy.

HR Manager

In response to a question from a Governor, the managers advised that the policy would be likely to have a very small impact on the estates strategy (with hot desking possible in the future).

Subject to the one suggested amendment, the committee was content to approve the Home working policy.

Professional Review & Development policy. The updated PRD was presented for committee approval. The managers outlined where the amendments had been made and the old version was presented alongside, for comparison purposes. A Governor asked if there was overlap with any other College policies and if so, it would be helpful to add a cross reference to those policies. The managers confirmed that there were links with the Disciplinary and Capability policies.

HR Manager

Subject to the amendments outlined above, the committee approved the new PRD policy.

The HR Manager left the meeting at 10.22am

Health & Safety policy. The Finance Director (FD) advised that under current regulations the H&S policy was to be approved by Board annually. The policy had had a major re-write in 2021/22 so, with no new legislative changes, this year only minor amendments were needed.

The committee agreed to recommend the Health & Safety policy for Board approval.

Financial Support policy. The FD advised that this policy (for annual review) had last year had a more robust review in response to the current cost-of-living crisis, where the household income limit was

increased in the policy. This was for committee consideration for Board approval. She gave a summary of the changes and outlined that there had since been no significant increase in funding, and that College was managing to operate within the fund.

In response to a question from a Governor, the FD advised that a pack was sent out to applicants which included a summary of this policy, but the subject of financial support did not usually come up in the student application process. Information on financial support and other issues such as transport was available during open evenings, with the aim that financial issues should not be a barrier to learning.

The committee was content to recommend Board approval of the Financial Support policy.

FRC22.4.7 Property Strategy and Estates update

The FD presented her paper advising that the new build was now complete with a partial handover, and with external groundwork to be finished during the week; landscaping would occur when the weather was cooler. Governors commented that work had progressed very quickly from when workmen had arrived on site, to completion. Financials were being finalised with Fusion, furniture for break space cost had come out at slightly higher than expected, but the FD did not want to rush, as the right furniture was very important. Architect designs were considering a single site entrance, extension to the food centre and changes to the library/LRC. She gave some information on priority projects, and the committee would receive a more detailed update in November. Summer capital work would include work on the library, upgrading to toilets, new canopies and secure covered cycle parking, electric charging points, staff cycle parking, all as part of a continuing programme.

Corporation members would be invited to visit the new building at 4pm on Tuesday 11 July (just before the final Board meeting of the year).

FRC22.4.8 Management accounts April 2023

The management accounts presented a similar financial position as at the last meeting with a healthy surplus this year.

The big issues causing financial pressure included pay awards, industrial action, etc. The committee noted that the pay award of 5% already paid in year was not a full and final settlement, and next year's negotiations were already starting. This was a sector-wide issue and the SFCA were working hard leading negotiations nationally. The FRC Chair asked, considering the optimism/prudency scale, considering the risk appetite,

what opportunities there were to make savings this year to offset financial pressures for the next year. The FD was continuing to monitor in terms of year end position and accruals.

FRC22.4.9 Annual budget 2023/24 including capital budget allocation

The FD presented the annual budget for 2023/24 including capital budget allocation for committee recommendation for Board approval.

The prudent budget presented set out a small surplus but with no contingency. The paper showed all income lines in detail and explained assumptions and where this budget differed to the last iteration. A pay award assumption was included; pay added the main financial pressure. Close monitoring would be carried out with budget holders but also discussions were held on the final forecast at leadership team meetings. Structural change where it may occur within the year would support the financial position but the cost of exploring academisation would likely cost more than £25k.

A Governor asked about the savings to be made through vacancies, to which the Principal added that none of the vacancies were for teachers but support staff and some new roles.

The committee reiterated that the key message continued to be close monitoring, as financially 2023/24 promised to be a difficult year. The committee was content to support the budget as presented, as well as recognising the risks.

Capital budget. The paper detailed a comprehensive breakdown of capital proposals, including an estates capital budget, IT budget (increased due to crept up slightly due to cyber essentials technology refresh), solar panels from a £100K energy grant, outdoor canopies (large tensile canopy behind sports centre all weather pitch, including furniture, and a second one close to the new build, smaller tensile structure on a cantilever with outdoor seating). Cost for the two would be £60K and are grant funded projects. All had been cross checked in terms of risk, through the Audit committee.

The committee was content to recommend for Board approval of the budget for 2023/24 as presented, including capital budget allocation.

FRC22.4.10 Three-year financial forecast

The FD explained the purpose of the forecast, which aligned with the budget for 2023/24, and which did not take account of any forward strategic change of status. The paper included detail of income, pay costs and non-pay costs, and capital budgets. Year 11 cohorts appeared

to be growing but without any assurance around external impacts, College was prudent about growth. Pay award assumptions were built into the forecast, but with no likely inflationary increase from ESFA, there would be a requirement for very close monitoring and to make savings between 2024 and 2026.

A Governor asked about College being able to accommodate the expected growth in student numbers.

The committee was assured that the three-year financial forecast was balanced and reasonable, and was content recommend it for Board approval.

FRC22.4.11 Review FRC Terms of Reference, business plan and meeting dates for 2023/24

The Clerk presented the draft FRC ToR, meeting dates and business plan for 2023/24. Once agreed the ToR, which had been updated following the ONS reclassification of Colleges, would go forward for Board approval as part of the standing orders.

The committee business plan would form part of the Corporation Cycle of Business for 2022/23 which would remain dynamic.

The committee was content to approve its ToR for inclusion in the standing orders

FRC22.4.12 Governance improvement plan 2022/23 update on actions, and self-assessment for 2022/23

The Clerk had updated the GIP for the committee for the final time this year for committee consideration. The FRC Chair invited the committee to feed back on strengths and any weaknesses in committee contribution for the academic year. Helpful comments put forward by committee members (captured by the Clerk) would be built into the FRC self-assessment of effectiveness during the summer, in advance of the external review of governance that would take place early in the autumn term. In line with other committees, the FRC was keen to relate the contribution it has made in terms of governance to impacts on the College and its students.

The committee was content with the GIP as presented.

FRC22.4.13 Review risks

The committee reviewed the paper which set out all the risks delegated to the committee as owner. The FRC was meeting before the final Audit committee meeting of the year on this occasion.

Ref**Actions:**

The committee was content that all relevant risks had been picked up through committee discussions in a robust way throughout the year. With a brief discussion about student numbers, and industrial action, the item closed.

FRC22.4.14 Date of next meeting (2023/24)

FRC23.1 Wednesday 15 November 2023, at 10am. The meeting closed at 11.56am.