

Minutes of the Finance & Resources committee meeting FRC22.1 held by video-conference on Wednesday 16 November 2022, Long Road Sixth Form College, Cambridge

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

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

Clerk: Anne-Marie Diaper

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FRC22.1.1 Apologies for absence

None.

FRC22.1.2 Declarations of Interest

Abby Futter declared an interest in agenda item 13.

FRC22.1.3 Request for any other business

None

FRC22.1.4 Minutes of FRC21.4 held on Wednesday 15 June 2022

The minutes of the last meeting were agreed as a true and accurate record of the meeting.

FRC22.1.5 Matters arising from the minutes not covered elsewhere on the agenda

None

The HR Manager joined the meeting at 10.03am

FRC22.1.6 HR report and KPIs

The HR Manager spoke to her report which was for information only. She covered areas such as recruitment and retention and its impact on the College, and the use of a new AoC system for recruitment that had had a positive effect on efficiency, 'growing our own' and CPD/training, and staff absence, including Covid.

The committee Chair commented that the data gave some helpful assurances, and another Governor commented that from the report it seemed like the College was regaining its 'community' feel now Covid restrictions had eased somewhat.

The committee was provided with a summary of the findings from an independent assurance visit to HR held in June 2022. This was a professional dialogue rather than a formal audit. The committee was informed the findings had been well received. The visit had led to an

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action plan which would contribute to the wider College strategy about which the committee would hear more at future meetings.

A Governor wished to know more about the non-financial benefits of any hybrid working following Covid, and the senior managers reported about staff working with laptops and functioning remotely.

The committee thanked the HR Manager for the report.

FRC22.1.7 Committee review of key policies

Grievance policy/procedure. The HR Manager presented the rewritten/reformatted and extended policy, she hoped was improved in terms of clarity. Stages 1, 2 and 3 within remained largely unchanged.

A Governor asked about the background to the policy which the senior leaders explained had been checked with lawyers and had been referred to the trades unions for review.

With no further questions the committee was content to recommend the Grievance policy/procedure for Board approval.

Board

Pay policy. The HR Manager commented that this policy had been updated in terms of terminology but otherwise very little had been amended. There was some referencing to pay spines.

A Governor queried a reference in section 4.1a which the HR Manager would update before this policy went before the Board. **Subject to this amendment, the committee would recommend the Pay policy for Board approval.**

Board

The HR Manager left the meeting at 10.37am

Tuition Fees policy. The Finance Director (FD) gave the background to the amendments to the policy marked by tracked changes. She explained the price increase and shared contextual fee levels. There were no significant changes in funding rules. She touched on international students.

The committee found the discussion helpful and would recommend the Tuition Fees policy for Board approval.

FRC22.1.8 Property update

The FD presented her written paper which included a comprehensive update on the new build project. She reported that planning permission had been received on 19 October. She explained that due to the time

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delay and in the current economic environment, costs had risen. These were mostly attributable to increase in the price of materials, inflationary increases, and the cost of moving to BREEAM 'excellent' as per planning conditions. This amounted to an additional circa £300k. Income from the land sale was being used to cover the additional costs. A new project timeline showed that handover of the new building was scheduled for May 2023.

A short update on other capital works was provided at the end of the paper.

FRC22.1.9 ESFA CFFR Financial health letter and dashboard

The FD presented this item. The committee noted the annual letter from the ESFA regarding the College's Financial Forecasting Return (CFFR). The letter confirmed the College's financial health was 'good' for 2021/22 and 'good' for 2022/23 based on the submitted return with a possibility that the rating may convert to outstanding following submission of the 2021/22 financial statements.

The FD commented that financial turbulence meant that 'outstanding' would be more difficult to achieve in future years.

FRC22.1.10 Approval of draft 2021/22 Financial Statements

The committee received the statutory financial statements for the year ending 31 July 2022. The auditors (FSA) completion report was also available for committee consumption and the FSA had attended the Audit committee meeting to present the report. The FSA had reported a clean audit. The FD presented the statements focussing on the operating surplus, cash position, the LGPS and teachers' pension scheme elements.

She asked the committee to consider if it was content with the numbers presented from page 10. The FRC was happy to recommend Board approval of the financial statements, commenting on a positive year-end outcome and thanked the FD.

The FRC would recommend the 2021/22 financial statements to the Board for approval.

FRC22.1.11 Management accounts October 2022

The committee was presented with the first set of management accounts for the year. The FD took the meeting through the summary. She explained that the College was running ahead of budgets, and no changes to the financial forecast, but there was a range of caveats. She

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updated on the payments for the new build. Much detail was provided on income and expenditure.

She explained the impact and affordability on staff pay. At this point the Clerk declared an interest on behalf of the support staff Governor in the meeting.

There were no significant movements on non-pay and the College was also presently on fixed-cost energy contracts. The College would be planning for cost increases in energy at the appropriate time.

A Governor asked a question about staff vacancies discussed earlier, the impact of the expected pay awards, and the Principal explained that the leadership team were discussing this regularly. A fiscal statement was imminent. This would be all covered to an extent at the Governors strategy/training day on 8 February 2023.

FRC22.1.12 Treasury management deposits

The FD updated the meeting verbally. To mitigate risks of cash flow, she reported that short term deposits remained the only option for the College at the present time.

FRC22.1.13 Update on factors likely to affect the financial forecast, and potential sources of revenue and savings

The FD spoke to her paper giving a little more background for the benefit of newer Corporation members. This paper, she explained, gave a good update on how the year was going to date. She spoke to the ILR figures, funding rates, reduced high needs learners, the international picture, and explained that a fiscal statement was due with any inflationary increase not guaranteed. Elements of the fiscal statement would be worked into the 3 year financial forecast for the February 2023 meeting.

At this point in the meeting the Clerk advised that the agenda should show an 'approval' item at this point in the meeting for the support staff pay award. She declared an interest on behalf of the staff Governor in the meeting.

The FD updated the committee on capital works including solar PV, costs of energy, and a short discussion ensued about student recruitment and conversion rates.

Support staff pay award. The FD and committee Chair advised that a FRC recommendation needed to be put to the December Board on an

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annual pay award for support staff, which had been agreed at a national level. The terms of which were as set out (quote):

“National Joint Council (NJC) Support Staff Pay Award 2022/23

Following consultation of their members UNISON has now formally accepted the NJC Employers’ pay offer made in response to their pay claim for 2022/23.

Please see the attached NJC joint circular and revised support staff pay spine, **which is ready for immediate implementation on a backdated basis** with effect from 1st September 2022:

- An increase of between 5% and 7.7% on the NJC pay spine (see joint circular and pay spine)
- This provides at least a 5% across the board increase for all support staff on the NJC pay spine
- Support Staff Standards Payment (SSSP) to increase to £390 per annum
- A 5% increase on all relevant allowances (set out with pay spine at Appendix 1).

We believe this settlement is a positive outcome for NJC negotiations on the support staff pay claim and that it provides a fair pay increase for hard working support staff against the backdrop of industrial unrest and almost unprecedented high inflation.”

Governors noted that the award re-opening clause should teachers agree a higher settlement, this may come back to the committee/Corporation for a further decision.

The committee agreed to recommend to the Board the payment of the support staff pay award as set out

FRC22.1.14 Review of the administration of the Financial Support policy, review of spend for 2021/22

The FD explained the level of the fund, and how it was administered and distributed in 2021/22. £165k had been awarded to students out of the £251k available, with balances carried forward to 2022/23. The FD explained that FSM funding through the school holidays continued for the moment.

Ref**Actions:****FRC22.1.15 Annual report and self-assessment of effectiveness from the FRC 2021/22**

The committee discussed the draft self-assessment and areas for improvement. Overall the committee concluded that it fulfilled its terms of reference and deliverables during the academic year 2021/22. The Committee discussed areas for improvement for 2022/23 and commented that it looked forward to continuing to support the College in the delivery of its new strategic plan.

The Clerk explained the process for self-assessment in the current year in the context of the external review of governance that was in the planning.

FRC22.1.16 Review relevant risks not covered by agenda items

The committee reviewed the risks relevant to its work, noting 4 new risks. The committee felt assured that all risks were already discussed in depth, but noted the ONS review outcome was expected at the end of November.

FRC22.1.17 Any other business

None

FRC22.1.18 Date of next meeting

FRC22.2 Wednesday 1 February 2023, at 10am. The staff Governor left the meeting at 12.06pm.