



MINUTES

**of the meeting of the Finance and Employment Committee
held on Wednesday 27 November 2019**

Present: - Mr James Caird (Chair)
Mr Igor Andronov
Ms Becky Payne
Mr Ian Peake (Principal)

In Attendance: - Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Jo Ricketts (Deputy Principal)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as four Members were present.

1. Apologies for Absence

No apologies.

2. Declaration of Interests

No interests declared.

3. Minutes of the last Meeting

The Chair signed the minutes of the meeting held on 26 June 2019 as a true and accurate record. There were no matters arising.

4. Employment Reports

The Director of Personnel presented the following annual reports:

- I. Staff Report. The report covered the whole College; however different HR systems were used during the year with data reported separately. Staffing statistics, turnover, age, gender, ethnicity, disability and recruitment and selection data were provided showing comparisons with last year. A Governor had calculated that the percentage of academic support and administrative staff at NSC was significantly higher than HLC requesting reasons. This was because there are more students with EHCPs at NSC and the nursery has more children than HLC. This would be explained in future reports. Recruitment and selection by the protected groups was tracked to ensure that there were no discrepancies. Staff absence had increased marginally to 4.3% which was slightly below the industry rate of 4.4% reported by AoC. A comprehensive programme of staff training had taken place on staff

Action

D Baldwin

development days at Oswestry, Hereford and the Gateway. The new integrated HR and payroll systems are operational, this had been a significant amount of work for the HR team. Single central records will be merged for HLC and NSC. Gender pay gap information showed a difference with reasons driven by the College employing more female staff in part time posts. Senior staff have reviewed support staff salaries to ensure that these are set at appropriate grades. The College pays staff the same rate for similar jobs regardless of gender.

- II. Staff Development Report: The annual budget at HLC of £29,337 provided for 3069 individual staff training records delivering 7103 hours. A Governor requested campus by campus comparisons of training in next year's report. There was a question if staff have CPD targets noting that some CPD targets are included in individual appraisals. In addition, some technical bodies require specific CPD for apprenticeship delivery. A Governor asked if all staff have registered for MyConcern to date; this is being addressed as part of delivery of safeguarding training at each campus.
- III. Health and Safety Report: There had been two RIDDOR accidents; one at HLC and one at NSC. There were 202 recorded accidents during the year of which 100 were at NSC. Reasons for the higher ratio of accidents included more students working with animals and changes to the reporting system at NSC. Compliance to statutory requirements was outlined in the report. Targets for the current year include ensuring policies and procedures are aligned throughout the whole College. Accident statistics will be reported collectively in future. Falls from horses continue to be investigated which is a high risk area.

D Baldwin

The Committee agreed: -

- To note the annual reports

5. Health and Safety Committee minutes

Noted.

6. Members' Report and Financial Statements for the year ended 31 July 2019

The Director of Finance presented the draft report which had been prepared following the Casterbridge Model. The Audit Committee would recommend the financial statements to the Board for approval taking into consideration the F&E Committee's review of financial data.

Governors were referred to the statements of comprehensive income particularly the financial outturn before the FRS 17 charge and the balance sheet. This showed a deficit of £365K; however, subsequently there has been a gain of £41K amending the deficit to £324K. There is a surplus before tax and the overall bottom line showed a modest operating surplus during the first year post-merger. The balance sheet showed the pension and discount

rates.

The Director of Finance was requested to prepare a note for Governors to reconcile the accounts and explain how this linked to ESFA correspondence regarding the financial plan for the Board.

E Gwillim

The Committee agreed: -

- To note the Members' Report and Financial Statements to 31 July 2019, specifically the financial data

7. Finance Reports

I. Management accounts to 31 October 2019: The Director of Finance apologised that the accounts were not available and tabled the October monthly year to date I&E summary. Variations to income and expenditure were outlined, some of which were timing issues to receipt of income. It was anticipated that fees income would be below budget this year. There was a favourable variance in staff expenditure. Repairs and improvement costs have been impacted by significant capital projects at Walford Campus. The invoices for franchising provision will be received in December after the College's ILR has been completed.

II. A written report on capital projects outlined progress of the new MIS Tribal EBS system, bluQube finance system and payroll and HR systems. A Governor asked if the systems are integrated and if there are any economies of scale. The systems are not integrated but there will be some integrated reporting. Improvements are being made to Walford Campus and capital projects have been completed at Oswestry Campus.

The College's bid to the LEP for funding to develop the old equine area into enterprise units was successful. The College is working with Architects to ensure match funding is spent by April 2021. The College has submitted another bid to the LEP for 70% of £100k costs for a mezzanine over the gas workshop at Hereford Campus. A bid for LEP Growth Deal 3 funds will be submitted for Pound Farm which would be limited to spend by 2021.

- III. Annual Treasury Management Report 2018/19: This advised Members on activities for the year ended 31 July 2019. It covered treasury management activity during the year, investment arrangements and interest earned. The College had strong cash balances with no loans.
- IV. Sub contracting Policy: The Board is required to approve the sub-contracting policy and confirm approval of the level of sub-contracting of £667k in the current financial year as per the College's budget. The Director of Finance anticipated that sub contracting was likely to be to the level agreed in the budget by the end of the financial year.
- V. Financial plan: The College's financial health required improvement which was triggered by the EBITDA. TU

funding received for the merger had been classed as emergency funding and not contractual funding which had an impact on last year and the current year placing the College in early intervention.

- VI. Financial Regulations: No changes were proposed to the Financial Regulations.

The Committee agreed: -

- To note the summary of income and expenditure to 31 October 2019
- To note the capital projects update
- To note the Treasury Management Annual Report to 31 July 2019
- To recommend that the Board approve the sub-contracting policy
- To note ESFA correspondence regarding the College plan 2019/21 and Governors' request for the verbal explanation of the issue at 7.V to be made in written form to the Board
- Financial Regulations remained unchanged

8. Any other business and comments

- I. ESFA have released the integrated financial model for colleges (IFMC) this week which the Board will be required to approve and sign off in February. This will include management accounts, financial statements data, projections and a cashflow. It was agreed that that will be presented to the Board at the February meeting.
- II. The Principal had received a request from a farmer in North Shropshire offering to manage Walford Farm. Governors did not feel that this should be pursued because the College should remain in control of its assets and management of Walford Farm to ensure it maximises the educational benefits to students.

E Gwillim

9. Date and time of next meeting

The next meeting was arranged for Wednesday 18 March 2020 commencing at 12.30 pm.

Signed as a true record of proceedings

Chair: Date:.....