

Minutes of the F&R Committee meeting held on 22nd November 2021
Virtual meeting
5pm

MINUTES OF THE MEETING

Present Tim Arthur, Chair
 Heather Du Quesnay
 Mark Robertson, Principal
 Martin Clapson
 Abigail Trencher
 Jane Mallabone

In attendance Stephen Jones, Laura Kerry, Sheri Peterson

Clerk Emily Baldwin

1	Declarations of Interest	There were no declarations of interest.
2	Apologies for absence	There were no apologies for absence. Jane Mallabone and Stephen Jones were warmly welcomed to their first F&R meeting.
3	Minutes of the meeting held on 21 st June 2021	The minutes of the meeting of 21 st June 2021 were agreed to be a true record of the meeting, subject to a minor change to the wording around iMET. Governors asked about the implementation of the Agile Working Policy, and how it was being monitored. L Kerry confirmed that it was being monitored by managers on a local level. It did not involve any change to contracts. There had been no reported issues, but it was also noted that the College was still in a period of COVID restrictions. It was estimated that about three-quarters of support staff were taking advantage of the new policy.
4	Draft year-end accounts	S Jones introduced the year-end statutory accounts for 2020/21, together with period 12 management accounts. The end of year results showed a deficit of £572k (before restructuring costs) was made by the College during the 2020/21 financial year. It was noted that the financial statements could be subject to change as a consequence of the external audit but at this stage no material changes were expected. The effects of the pandemic were clearly still a significant factor in the outturn for the year. It was fortunate that the tolerance thresholds for the Adult Education Budget were relaxed to enable the College to retain these allocations. Apprenticeship and

		<p>commercial activity including international income were significantly affected by the disruption of the pandemic and did not result in a commensurate reduction in associated costs which exacerbated pressure on the outturn. The final end of year position was in line with the forecast.</p> <p>T Arthur advised that the Period12 management accounts could benefit from increased quantification of some elements.</p> <p>S Jones explained the changes he was planning to make to the format of management accounts taking into account feedback from the FE Commissioner. The Committee supported his approach.</p> <p>Governors discussed whether it was appropriate to continue to report on international income separately. It was agreed that this should be continued, as the College should be making a surplus without taking into account international income.</p> <p>Governors advised that more information on student numbers should be included in the Financial Statements. T Arthur reported he had a number of changes to the Annual Report which he would send to S Jones after the meeting.</p> <p>The Committee received the draft Financial Statements 2020/21, noting that they would be presented to the Audit and Risk Committee before being recommended to Corporation.</p>
5	FE Commissioner recommendations	<p>S Jones introduced the report on FE Commissioner recommendations.</p> <p>The FE Commissioner had undertaken a diagnostic assessment of the College in July 2021, and made 4 recommendations. Recommendation 4 (bank confirmation) has been completed. Progress against the other three actions was ongoing and would all be completed before the February 2022 meeting. S Jones had approached the Deputy FE Commissioner to ask for guidance on the recommendation about systems and he had given some helpful advice on the areas to focus on.</p> <p>J Mallabone asked about the context to the FE Commissioner visit and whether other colleges were affected. It was noted that the College's large commercial income stream had meant that CRC had been more adversely affected by the pandemic than other Colleges. This was apparent from the FE Commissioner Finance Dashboard. The Clerk agreed to send the report to J Mallabone for information.</p> <p>S Jones was asked for his initial views on the College systems. He said that he had not noted any particular issues with the systems themselves but that the College needed to ensure it was using their full functionality, particularly with the system used for forecasting.</p> <p>Governors stressed the importance of having a reliable and consistent system that enabled data to be tracked in real time and to make comparisons across years. T Arthur suggested that the College explored systems that enabled systems to talk to each other via use of a data cube with a report writer overlay.</p>
6	Financial Risks	<p>S Jones introduced the paper on review of financial risks. It was noted that this was part of a wider review of the risk register across the College.</p>

		<p>Governors supported the proposed approach to streamlining the risk register. They noted the proposed change to the risk around insolvency, and the importance of making sure the College had a rolling cash forecast for at least twelve months. It was important to ensure that the original budget was shown on the KPI sheet.</p>
7	Review of Financial targets	<p>S Jones outlined the proposals for tracking financial KPIs. The Committee supported the proposal for the selection of KPIs to be included in the Corporate KPI sheet and in the management accounts.</p>
8	Period 2 Management Accounts	<p>S Jones introduced the Period 2 Management Accounts.</p> <p>Two amendments had been made to the forecast budget:</p> <ul style="list-style-type: none"> - reduction in income due to an unsuccessful growth case for AEB following a unilateral reduction by the ESFA - reduction in income due to a higher reduction in the small group tuition fund allocation than had been anticipated <p>While there had been some mitigation of both of these reductions, this had resulted in a revised budgeted surplus position of £116k.</p> <p>Enrolments of 16-19 study programmes had been positive. However, it was unlikely to be at a sufficiently higher level to qualify for significant in-year funding. Governors questioned why the systems had shown a significant increase in enrolments up until recently. M Robertson said it seemed likely that there had been a change in the way students applied to colleges, with many applying earlier than normal. This could have resulted in the number of students looking higher at a similar point to the last year. Governors expressed their disappointment that the data for applications and enrolments had not been sufficiently robust enough for accurate budgeting. S Jones would look at the enrolments forecast system as part of his systems' review.</p> <p>Governors noted the risks around income and underlined the importance of securing a surplus position at the end of the year. The College did not want to be in a position that it used proceeds from land sales to support the College's operating activities.</p> <p>S Jones confirmed that he would be revisiting the financial risks and opportunities table that was presented to Corporation in June 2021, and would report back to the Committee. He confirmed that a number of the risks set out in the table had been realised. Governors underlined the importance of ensuring a rolling 12 month cash forecast is included in the Management accounts (including a comparison against budget)</p> <p>Income from apprenticeships and Adult Education appeared to be in line with the budget. There were some early concerns about exam costs and inflationary costs.</p> <p>Governors asked about progress with the Digital bootcamp. M Robertson confirmed that the College had secured the contract, but the surplus was likely to be small. There was also uncertainty about international income, although there was strong interest in the summer school.</p>

		<p>S Jones confirmed that while significant costs were closely controlled, essential spend measures had been removed.</p> <p>The Committee noted the report.</p>
<p>9</p>	<p>Human Resources Annual Report 2020/21</p>	<p>Annual report</p> <p>L Kerry introduced the Annual Human Resources Report 2020/21.</p> <p>The key points identified within the report were:</p> <ul style="list-style-type: none"> • The ongoing lockdown and requirement to work from home had a positive impact on sickness absence levels and staff turnover. Since the start of term, absences were returning to pre-pandemic levels. • Absences due to mental ill-health have become the highest cause of absence within the organisation. • While Staff Turnover had decreased in the previous year, early indications for the current year show increasing numbers of staff leaving at a time when recruitment was particularly challenging in some areas. This meant an increase in agency costs. • Appraisal completion rates were high, and the focus now was on validating the quality of the appraisals • Safeguarding practices in HR were strong and had been reviewed to ensure compliance with guidelines for Safer Recruitment in Education. Safeguarding allegations against staff were effectively managed between the Designated Safeguarding Lead and HR. • There were three cases leading to potential employment tribunals, but the College's insurers had confirmed its support with the cases • The College were successful in being awarded Investors in People Gold Level status. <p>Governors asked about whether there was a link between staff dissatisfaction and the level of staff turnover. L Kerry confirmed that staff satisfaction had remained at the same high level as the previous year and there had been no particular issues coming through in exit interviews. Workload was causing issues and a happiness survey amongst staff was being rolled out.</p> <p>Governors noted that pay was increasingly becoming an issue with staff. Although the cost of living increase had not been paid in recent years, 35% of staff had received a pay increase as a result of incremental progression.</p> <p>The success with the Investors in People award was a testament to the hard work of staff.</p> <p>Governors suggested some minor additions to the report:</p> <ul style="list-style-type: none"> - Correction to paragraph 2.1 which was incomplete - Show the number of lost staff days as a proportion of the total <p>T Arthur asked for more information on the breakdown of COVID costs that are shown separately in the Financial Statements.</p> <p>Staff survey</p>

		<p>Governors noted the results of the staff survey that had been undertaken in July 2021. The results show that staff satisfaction levels were maintained in comparison to the previous year at 93.5%.</p> <p>There has been a decline in positive responses for 8 of the measures, the biggest decline being around effective decision making by managers and effective communications. The most significant increases were seen in job security and opportunities to progress.</p> <p>An analysis by campus identified a further closing of gaps in the majority of questions.</p> <p>The results of the survey in comparison to 48 other colleges who took part in the benchmarking showed that the College performed favourably against all other colleges, as well as against the set of outstanding colleges. Governors agreed this was a strong result. More information on response rates would be useful.</p> <p>Governors asked whether there was a correlation with student satisfaction. Although it was hard to show a causal link, research did show that staff satisfaction in the health sector had a positive impact on patients.</p> <p>L Kerry confirmed that the information from the staff survey was viewed at a departmental level and shared with the relevant manager.</p> <p>HR policies</p> <p>Governors discussed the revised disciplinary and grievance procedures, which had been updated to include specific references to fraud.</p> <p>The Committee noted the reports and recommended the updated HR policies to Corporation.</p>
10	Estates update	<p>S Jones introduced the estates update.</p> <p>Governors noted that both the sale of I Block and the formal surrender of the iMET centre were in progress. The former would unlock some financial opportunity for reinvestment in the estate.</p> <p>The Committee welcomed the report, and advised that future reports should focus on the most significant projects.</p>
11	Procurement Report	<p>S Jones introduced the Annual Procurement Report 2020/21</p> <p>A review of student bus transport bus routes and a competitive tender process resulted in a substantial saving of over £1m over three years. S Jones confirmed that this saving was reflected in the budget.</p> <p>The Committee asked for their thanks to be conveyed to N Cassidy, Procurement Manager.</p> <p>It was noted that the appendix on financial waivers was missing from the papers and would be circulated by email to the Committee.</p> <p>The Committee received the report.</p>

12	Health and safety report	<p><i>S Peterson, Health and Safety Officer, joined the meeting.</i></p> <p>S Jones introduced the annual Health and Safety Report. The number of incidents had fallen over the course of the year. However, it was noted that both campuses were closed due to Covid-19 lockdown for a period of time. This had made it harder to analyse trends. It was noted that most incidents were as a result of human error.</p> <p>S Peterson confirmed the level of Health and Safety training in place, and that the College was undertaking more practical sessions. Governors asked about whether she had sufficient resource in place. She confirmed that this was the case, but that additional administrative support would be helpful.</p> <p>Governors welcomed the level of detail in the report. They asked that future annual reports include details on major and moderate incidents only, but also covered students as well as staff. Any trends in minor injuries should be included in the commentary.</p> <p>Corporation <u>recommended</u> the report to Corporation.</p> <p><i>S Peterson, Health and Safety Officer, left the meeting.</i></p>
13	College Insurance levels 2020/21	<p>Governors noted the College Insurance levels 2020/21. S Jones said that he would be reviewing the insurance broker service over the next year.</p> <p>The Committee <u>received</u> the report.</p>
14	Any other business	<p>There was no other business.</p>
15	Self-assessment of Governors' Performance	<p>The Committee felt that it had been a positive meeting.</p> <p>In general, the papers were clear and there was good discussion.</p> <p>It had been a heavy agenda, and in future it would be more appropriate to split the items over two meetings.</p>

There was no other business and the meeting ended at 715pm