

**Minutes of the Finance & General Purposes Committee**

**held on 22 February 2023 at 5.30 pm via Microsoft Teams**

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| **Present:** | | Donald Inglis (Chair)  Rob Hickey  Heidi Fraser-Krauss  Matthew Rice  Lee Probert (Chief Executive and Principal) | |
| **In Attendance:** | | David Hawkins – Vice Principal for Finance and Professional Services  Chris Leng – Director of Human Resources  Carolyn Barker, Director of Governance  Sarah Chamberlain, Director of Marketing & External Affairs | |
| **1.** | **Apologies for Absence / Declarations of Interest** | | **Action** |
| 1.1 | There were no apologies received.  Declarations of interest were received from Heidi Fraser-Krauss as the Chief Executive of JISC and Rob Hickey, the COO at York St John University. No conflicts of interest were noted relating to any items on the agenda.  The Chair welcomed Sarah Chamberlain, Director of Marketing and External Partnerships to the meeting. | |  |
| **2.** | **Minutes and Matters Arising** | |  |
| 2.1  2.2  2.3 | **Minutes**  The minutes from the previous meeting held on 8 November 2022 were approved as an accurate record along with the confidential minuted item.  **Action Summary**  All actions from the 8 November 2022 meeting were recorded as being completed.  **Any Other Matters**  None reported. | |  |
| **3.** | **Strategic Plan Implementation** | |  |
| 3.1  3.2  3.3 | **Finance & General Purposes KPI Scorecard**  The Committee received a copy of the scorecard outlining the indicators being monitored and the update to target. The Vice Principal of Finance and Professional Services outlined key points of note from the update. These included –   * Financial health rating for the end of year is considered good with reasonable EBITDA. * Year-end cash has the potential to vary but not below £4M and is being managed accordingly.   Governors asked whether there was a low point in the year on cash. It was advised that there tends to be low payments from ESFA from January to March however the College has received monies to smooth out payments during the course of the year. It was confirmed that the College is in a reasonable position regarding cash days.  Other points of note related to the scorecard include –   * Reasonable financial sustainability however there are some income numbers that remain a challenge. Further updates are to be provided later in the agenda. * Apprentice numbers have seen a growth from last year but remain below budget. Further update is to be provided in the management accounts item. * It is considered to be a challenge to achieve the work placements target through to the end of the year.   Governors asked whether there was any potential impact of not achieving the placements target. The Vice Principal of Finance and Professional Services advised that there could be a potential clawback of funding if the numbers are not reached. There is also a challenge with all placements needing to be completed face-to-face. This is a government requirement.  ***The Committee resolved to note the KPI Scorecard update.***  **Implementation Plan – Pillar 4, 5 & 6**  The report submitted to Committee summarised the progress reports for strategic pillars 4, 5 and 6. Key points of note were –   * The Post-16 capacity fund bid had been submitted and the College is waiting to hear back on the outcome. Two grants are due to come through in April as a result of the ONS reclassification decision and can be used over the next couple of years. * £260k allocated to support sustainability measures in reducing energy use, replacing LED lighting, solar panels etc.   **Strategic Risk Monitoring**  The Committee received the risk report detailing the College’s key risks monitored and based on the information available as of 1 February 2023.  The Vice Principal of Finance and Professional Services advised members that the investment risk (4) remains at green, considered to be very positive at present. However, the direction of travel regarding long term financial sustainability is thought to be increasing. It was noted that Partnerships will be a retained risk at green for the moment and that Cyber security will continue to be rated at red with the continuing threat posed.  A governor commented that at a recent meeting within their organisation they had discussed the continued cyber threat and agreed they would keep under constant review the risk mitigations. The Committee recommended the College conducts an ongoing review of controls and any further controls that can be applied.  It was noted that another phishing exercise had taken place recently.  ***The committee resolved to note the strategic risk monitoring report.*** | | DH |
| **4.** | **Business Continuity Plan** | |  |
| 4.1 | A separate document was issued to the Committee in advance of the meeting that sets out the College’s Business Continuity Plan (BCP).  The Vice Principal of Finance & Professional Services advised that the Committee has oversight of the BCP, and it had been a couple of years since it had been presented to members. The plan is considered to be comprehensive covering all potential incidents with regular updates being made as a result of lessons learnt from previous incidents such as the flood and a missing student. It was noted that a couple of scenario exercises had been completed with the management team recently.  The Committee commented that conducting scenario-based exercises is important and to involve other staff, rather than a focus on incident team members or senior management. Governors advised that the communications plan in the event of an incident is crucial and to ensure that there is someone appointed to make notes during the incident management process to record decisions being made. The record will prove useful to feed into the post incident review process. The Vice Principal of Finance and Professional Services advised that there are plans in progress to test the response to media enquiries.  Members gave advice on having printed paper copies of the BCP available for staff particularly regarding the process of how to communicate. The Committee was advised that a WhatsApp group had been set up to support the communications plan.  The CE&P asked governors whether they had any successes to share from their own experiences of dealing with a critical incident particularly the decision-making process and timeline for reporting. It was noted that there have been instances at the College where there was a delay in escalating the occurrence of an incident to senior management. The Committee advised further staff training / workshops should be considered to include advice to staff that if in doubt they should always escalate an incident to senior management. The CE&P shared a brief update to members on the recent serious student incident that had occurred. Members had received briefing emails from the CE&P in recent days.  The Chair asked when the last full evacuation of the College took place. It was advised that there are two fire evacuations planned each year and recent records show it has taken approximately 6-8 minutes to complete. The Vice Principal of Finance & Professional Services advised that the team change the evacuation plans to ensure there is no complacency.  It was noted that the College has a separate BCP covering IT and disaster recovery.  ***The Committee resolved to note the Business Continuity Plan.*** | | DH |
| **5.** | **Financial Sustainability** | |  |
| 5.1  5.2 | **2021-2022 Financial Performance**  **Management Accounts for the 5 months to 31 December 2022**  The Committee received the management accounts for the five months of 2022-23 and noted that the College reported a deficit of £345k against the College budget surplus of £54k.  The Vice Principal of Finance & Professional Services briefly talked through the waterfall graph.  It was noted that a review of the investment strategy is underway considering the interest rates across different banks to ensure the best rates are attracted.  The Committee asked whether there was any feedback from the union regarding the staff pay award. Members noted the update provided by the Vice Principal of Finance & Professional Services following the recent meeting with UCU after having talked through the management accounts and consolidated pay awards. A further meeting has not been planned.  ***The Committee resolved to note the management accounts.***  **Horizon Scanning – 2023/2024 Budget Challenges**  The Committee received a report that outlined a range of budgetary challenges that the College may face in preparing its 2023-24 budget. The key positives coming through for next year include –  Other concerns noted were pressures to improve pay awards, energy price increases and estate maintenance.  Notification of funding allocations from the ESFA are due next week to ascertain the impact on the budget for next year. There is some concern as to the number to be allocated for HE and considered likely to be the same as this year.  The Vice Principal of Finance & Professional Services advised of a couple of income streams that will not come through next year. The CBF is one and the withdrawal of the tuition fund.  **[Confidential Minute]** | |  |
| **6** | **College Staff & Teams** | |  |
| 6.1 | **HR Report**  The Committee received the HR report covering sickness absence, EDI, gender pay report and tutor utilisation.  Members were asked if there were any comments, questions or queries regarding the report.  The Committee noted the statistics in the report with an increase in sickness absence due to mental health and that it appears part of a national trend. The Director of Human Resources advised there has been an increase in overall absence to 2.9% and overall seeing a higher increase in those absences due to mental health incidents. The Director of Human Resources advised governors that it is a good time to reset the health and wellbeing provision and reach out to staff to acknowledge the pressures for them, including cost of living, feeling anxious, advising that the College has a lot of resources to support. A reminder to staff is planned to outline the support and resources available to them.  Governors noted the report and advised that the proposed approach is sensible.  *The Director of Human Resources left the meeting.* | |  |
| **7** | **Estates and College Environment** | |  |
| 7.1  7.2 | **Health, Safety and Welfare Update**  The Committee received the report that is also submitted to the Board. It detailed that no major incidents were reported.  Members were advised that departmental H&S audits are in progress. There has been an increase in the number of first aiders and this may be due to the increase in payment offered.  A governor asked why there was an increase in injuries during November. It was advised that the increase is largely due to when students move from theory to practical work.  ***The committee resolved to note the report.***  **Construction centre extension update**  The Vice Principal of Finance & Professional Services updated the Committee in relation to the construction project that is underway. It was noted that regular reports will be provided to the Committee.  It was noted that Rob Hickey supported in the appointment of the contractor. Thanks were given to Rob in this regard. The existing marquees were due to be dismantled during the weekend with the start on site due 6 March. The construction programme runs through to November. Members discussed BREEAM sustainability in construction certification and that achieving it may prove very difficult.  The Committee asked whether the certification was a condition of funding. It was confirmed it was a planning requirement.  A governor asked whether there would be an opening ceremony when the building is complete. The Vice Principal of Finance & Professional Services advised that the centre will be open to students for the next academic year and a ceremony will be organised at some point after that.  ***The Committee noted the construction centre extension update report.*** | |  |
| **8** | **Marketing, Communications & Partnerships**  This was a deferred item. | |  |
| **9** | **Policy and other matters** | |  |
| 9.1  9.2 | **Policies**  There were no policies submitted to the Committee.  **Bank Mandate Approval**  The Vice Principal of Finance & Professional Services advised members that the mandate is not normally an item that is brought to committee however it was noted that this particularly mandate requires Committee approval. It was advised that the Committee Chair is required to sign the mandate.  ***The Committee confirmed they were happy to approve the signing of the mandate.*** | |  |
| **10** | **Key Meeting Outcomes and/or Actions** | |  |
| 10.1  10.2 | **Matters for report to the Governing Body (if any**)   * Construction centre update * Management accounts * Health and safety * Budget challenges   **Matters for report to the Audit Committee (if any**)  There were no items to report to the Audit Committee. | |  |
| **11** | **Summary Matters** | |  |
| 11.1  11.2 | **Any Other Business**  Nothing to report.  **Date of next meeting – 26 April 2023** | |  |
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