



**Minutes of the Finance & General Purposes Committee  
held on 26<sup>th</sup> November 2020 at 5.30 pm via video conference**

<b>Present:</b>	Vicky Buckle Jack Commandeur (Chair) Neil Costello Rob Hickey Donald Inglis David Johnson Lee Probert (Chief Executive and Principal) Owen Trotter Ian Looker – observing.	
<b>In Attendance:</b>	Louise Doswell – Deputy Chief Executive and Principal (Partnerships and Development) David Hawkins – Vice Principal for Finance and Professional Services Paul Lawrence – Director of Marketing Chris Leng – Human Resources Manager Graeme Murdoch – Deputy Chief Executive and Principal Sharon Smith – Vice Principal for Higher, Vocational & Professional Education Elizabeth McClure – Director of Governance	
	<b>1. Apologies for Absence / Declarations of Interest</b>	<b>Action</b>
	Apologies were received from Melanie Jones.  There were no declarations of interest.	
	<b>2. Minutes of Previous Meetings</b>	
	The minutes of the meeting held on 11 <sup>th</sup> June 2020 were reviewed and approved without amendment.	
	<b>3. Matters Arising – Actions</b>	
	Progress against the actions listed on the action log was noted.	
	<b>STATUTORY &amp; REGULATORY COMPLIANCE</b>	
	<b>4.1 GDPR Update</b>  The Deputy Chief Executive and Principal (Partnerships and Development) provided a verbal update on GDPR compliance.  It was noted that since the start of the year, there had been: <ul style="list-style-type: none"> <li>- Four suspected data breaches. Three of these transpired not be breaches and have been addressed. The fourth involved information being sent to an employer. This did not include personal information but has been recorded.</li> <li>- Nine subject access requests; three from the police and one by a solicitor. All met the timelines for response.</li> </ul> It was noted that there was an ongoing process for reviewing all GDPR policies and procedures. There was currently a proportionate member of staff assisting and all required standards were being achieved. To improve, it may	

	<p>be necessary to hire a full time individual for short period and this was being considered.</p> <p>The Committee noted that there had been an increase in cyber attacks in the FE sector; increased encryption and access controls should therefore be considered. It was agreed that the college should do more than achieving the minimum standard and should aspire to improve in this area. The Committee were supportive of increasing staff resource for GDPR.</p> <p>The Committee questioned whether scrutiny of GDPR should fall under its remit or that of the Audit Committee. It was agreed that this would be referred to the Audit Committee to decide.</p> <p><b><i>The Committee resolved to note the verbal report.</i></b></p>	<p><b>LMD</b></p> <p><b>DoG</b></p>
<b>MARKETING &amp; BUSINESS DEVELOPMENT</b>		
	<p><b>5.1 Marketing Strategy and Activity</b></p> <p>The Director of Marketing presented a marketing update. It was noted that there had been an evolution in marketing over the past few months due to the impact of Covid 19. The College already had strong digital presence prior to the pandemic but had built on this over the lockdown period. Open events had now been moved online to a new microsite and had been successful. Taster days were now available online and the marketing department had worked on upskilling shooting, editing and producing video content. The new college website was due to be launched in 2021 and would harness this video technology. However, it was noted that postal marketing campaigns were also effective during lockdown, likely due to people receiving less post in general.</p> <p>The Committee questioned why the interest from some feeder schools had dropped off and agreed that it would be useful to obtain more information on the reasons behind this.</p> <p>The Committee noted that the statistics around engagement with events were impressive and queried what the balance was between on demand content and event specific materials. The Director of Marketing confirmed that this balance was being taken seriously. Open events were permitted to run for a maximum of two nights and there was an embargo on adding them to YouTube to avoid content becoming static. This embargo would be lifted after February, when the videos would be released to improve SEO and to target HE students. The Committee requested that when videos were made on-demand, they were closely checked for accuracy.</p> <p>The Committee queried the potential impact of a new website on SEO and how this would be managed. It was suggested that the switch should not be made at a high traffic time. The Director of Marketing confirmed that SEO was the highest priority. Co-optee Neil Costello noted that he could assist with the management of this, as well as the tender process for the new website and social media targeting.</p> <p>The Committee questioned why there had been little messaging about how well the College had responded to Covid-19. The Chief Executive and Principal confirmed that it had been agreed that elaboration about the impact of Covid-19 would be deferred until after the end of the academic year. There was still divided opinion on the efficacy of the college's blended learning system, and it was hoped that this would be improved throughout the year.</p> <p>The Committee questioned whether blended learning was being considered as a long-term plan. The Chief Executive and Principal confirmed the</p>	<p><b>PL</b></p> <p><b>PL</b></p>

	<p>curriculum model would be formally evaluated to assess the areas in which this could work. It was noted that online counselling, for example, had been particularly successful, with no appointments missed since it moved online.</p> <p><b><i>The Committee resolved to note the report</i></b></p>	
	<b>FINANCIAL SUSTAINABILITY</b>	
	2019-20 Financial Performance	
	<p><b>6.1 Management Accounts for the 12 months to 31 July 2020</b></p> <p>The Vice Principal for Finance and Professional Services presented the 12 month management accounts and highlighted the following:</p> <ul style="list-style-type: none"> <li>- The lockdown period had impacted the College's finances.</li> <li>- The end of year deficit was £168k due to a loss of trading and commercial income, plus Covid-19 associated costs. It was noted that all staff were paid in full during the period and none were furloughed.</li> <li>- In the absence of the pandemic, the College would have achieved its break-even target.</li> <li>- The College retained c£8 million of cash as at 31 July 2020, had no debt and a reasonable EBITDA. The College continues to be rated as financially outstanding by ESFA.</li> </ul> <p>The Committee scrutinised the accounts and confirmed that the cash balance was reassuring, and the negative movement was not material.</p> <p>The Committee queried the increase in the staff costs and how this would impact on the aim of the Strategic Plan to reduce staff costs to 67%. It was confirmed that this was also related to Covid-19 and would drop naturally when income generation resumed, and the ongoing restructure concluded.</p> <p><b><i>The Committee resolved to note the report</i></b></p>	
	<p><b>6.2 2019-2020 Financial Statements</b></p> <p>The Vice Principal for Finance and Professional Services took the Committee through the 2019-2020 Financial Statements. It was noted that the auditors had recommended narrative about the impact of Covid-19 and this had been included.</p> <p><b><i>Statement of Comprehensive Income</i></b>  It was noted that the pension adjustment had moved significantly due to a change in the discount rates used by the actuaries. More generally, it was noted that an increase in pension contributions may be required following the next triennial valuation due to a large deficit in the scheme. The Committee questioned whether the College would have any influence over the pension scheme if a deficit was confirmed at the next valuation. It was noted that it was possible to argue for a reduction in contributions, but this was not guaranteed. It was further noted that this was a national issue and the AoC were involved.</p> <p><b><i>Balance Sheet</i></b>  The Committee agreed that the balance sheet was healthy, noting net assets of £21 million, a healthy ratio and a positive reserves position. The Vice Principal for Finance and Professional Services confirmed that the auditors had made no adjustments.</p> <p><b><i>The Committee resolved to refer the Financial Statements to the Governing Body for approval.</i></b></p>	

	<b>2020-21 Financial Performance</b>	
	<p><b>6.3 Learner Recruitment</b></p> <p>The Deputy Chief Executive and Principal (Partnerships and Development) presented an update on Learner Recruitment. It was noted that recruitment for all areas had increased since last year and was generally above target. Apprenticeship recruitment was currently below the forecast, but it was anticipated that numbers would increase with in-year recruitment. The data would be sent to the relevant funding agencies.</p> <p>The Committee agreed that the figures were very positive and encouraging.</p> <p><b><i>The Committee resolved to note the report.</i></b></p>	
	<p><b>6.4 Management Accounts for the 2 months to 30 September 2020, including year-end forecast</b></p> <p>The Vice Principal for Finance and Professional Services presented the latest management accounts. The Committee scrutinised the major variances to the budget and noted the following:</p> <ul style="list-style-type: none"> <li>- Schools income, adult learner loans income, training fee income and catering income had all reduced against the budget.</li> <li>- Cleaning costs had increased due to Covid-19 and further Covid-19 related costs were anticipated.</li> <li>- It appeared that it would be challenging to meet the Adult Learner Income target</li> <li>- Apprenticeship numbers would be clearer in the October/November accounts</li> </ul> <p>The Committee agreed that, despite the variance, budget estimates had been relatively accurate. It was noted that next year, surplus cash reserves would reduce from £8 million to £6 million; the Committee queried when the college expected costs and income to return to pre-pandemic levels. The Vice Principal for Finance and Professional Services confirmed that Covid-19 costs would certainly reduce over the course of the year, but the key was to regain commercial and trading income.</p> <p>The Committee noted the recent comprehensive spending review and agreed that the College may expect to receive additional funding for student numbers in February, but this was unlikely to be close to the increase received for this academic year. In terms of apprenticeships, there would be no further allocations for those not already in learning and therefore the College's focus needed to be on retaining employers.</p> <p><b><i>The Committee resolved to note the management accounts.</i></b></p>	
	<p><b>6.5 Pay Award Update</b></p> <p>The Vice Principal for Finance and Professional Services provided a verbal update on the Pay Award. It was noted that the AoC had not yet released a recommendation on the Pay Award but this was imminent. A 1% Pay Award had been included in the budget; the Board would be asked to decide whether this should be paid or not, in light of the impact of Covid-19 on the College's finances. The Chief Executive and Principal confirmed that if the award was made, it would be backdated to 1 August 2020.</p> <p>The Committee considered different staff perspectives. It was noted that professional services staff may not expect a pay rise, acknowledging the impact of Covid-19 and the fact that the College had made the decision not</p>	

	<p>to use the furlough scheme. It was noted that the perspective of curriculum staff may be different; the new model of blended learning had required significantly more work in some cases.</p> <p>The Committee agreed that the decision must be considered in light of the fiduciary duty to preserve the finances of the College which were currently running at a deficit. Conversely, the goodwill of the staff after a difficult year must also be considered. The Committee agreed that their discussion would be reported to the Board but that it was likely that the Board would wish to make a decision only once the AoC recommendation had been published.</p>	<b>DoG</b>
	<b>COLLEGE STAFF AND TEAMS</b>	
	<p><b>7.1 HR Update</b></p> <p>The HR Manager presented an HR update which was scrutinised by the Committee.</p> <p>The Committee queried the recent press items about the convictions of a former member of staff, who left in 2016. The HR Manager confirmed that he had not been convicted of any offence before or during his time employed by the College.</p> <p>The Committee noted that sickness absence rates had reduced during the Covid-19 pandemic; it was agreed that working from home gave the flexibility to staff to continue to work during mild illness.</p> <p>The Committee queried the significant increase in mental health cited as a reason for absence and questioned how staff were being supported. The HR Manager confirmed that absent staff were offered support and reassurance. A new health and wellbeing group was being launched to support staff. It was also noted that the pandemic was likely to have exacerbated pre-existing conditions and this could partly explain the increase.</p> <p>The Committee agreed with the support measures currently in place but questioned long-term plans for support. It was noted that the impact of the pandemic was likely to last well into 2021 and therefore a long-term focus on staff mental health was required.</p> <p><i><b>The Committee resolved to note the report</b></i></p>	
	<b>ESTATES AND COLLEGE ENVIRONMENT</b>	
	<p><b>8.1 Health, Safety and Welfare Update</b></p> <p>The Committee considered the Health, Safety and Welfare Update. The Vice Principal for Finance and Professional Services confirmed that the new Senior Health, Safety and Welfare Advisor had done an excellent job at implementing Covid-19 precautions. It was noted however that this may have impacted wider Health &amp; Safety matters and that accident reporting had reduced.</p> <p>Health &amp; Safety audits had not yet been able to happen due to Covid-19 but these should restart as soon as possible.</p> <p><i><b>The Committee resolved to note the report</b></i></p>	
	<b>CORPORATE GOVERNANCE AND ASSURANCE</b>	
	<b>9.1 Strategic Risk monitoring</b>	

	<p>The Vice Principal for Finance and Professional Services presented the Strategic Risk Monitoring Report.</p> <p>The Committee asked why the ability to invest wasn't showing as an increased risk, considering that less cash has been generated recently. It was confirmed that the 2020-21 budget had been drafted to acknowledge the current cash position and therefore this risk was already factored in.</p> <p>The Committee queried whether penetration testing was being considered to mitigate the cyber security risk. The Vice Principal for Finance and Professional Services confirmed that the internal auditors could offer this service and it would be considered by the Audit Committee.</p> <p><b><i>The Committee resolved to note the report</i></b></p>	
	<p><b>9.2 Strategic Plan Implementation</b></p> <p>The Committee considered the following pillars of the Strategic Plan:</p> <ul style="list-style-type: none"> <li>- Investment</li> <li>- Financial Sustainability</li> <li>- Partnerships</li> </ul> <p>The Committee agreed that they were happy with the actions outlined, which had already been reviewed by the Governing Body. It was noted that most of the items had been discussed throughout the meeting under individual papers.</p>	
	<b>POLICY AND OTHER MATTERS</b>	
	Policy Reviews	
	<p><b>10.2 Policy Reviews</b></p> <p>It was noted that several internal policies would be circulated outside of the Committee for review and comment.</p>	<b>DoG</b>
	Other matters	
	<p><b>11.1 IT Update</b></p> <p>The Vice Principal for Finance and Professional Services provided a verbal IT Update. It was noted that cyber security was a priority, and the Committee discussed the recent cyber attacks on other colleges. It was agreed that whilst it may not be possible to prevent attacks entirely, the College should ensure that it had the best possible defences and complied with the highest standards possible.</p>	
	<b>SUMMARY MATTERS</b>	
	<b>Key Meeting Outcomes and/or Actions</b>	
	<p><b>12.1 Matters for report to the Governing Body (if any)</b></p> <ul style="list-style-type: none"> <li>• Financial Statements</li> <li>• Pay Award</li> <li>• Note about positive performance during the pandemic</li> </ul>	
	<p><b>12.2 Matters for report to the Audit Committee (if any)</b></p> <ul style="list-style-type: none"> <li>• Committee remit – GDPR</li> </ul>	
	<b>13. Any Other Business</b>	

	<p>The Committee returned to the subject of reduced staff absence and queried whether this could be due to staff being worried about job loss. The HR Manager confirmed that there was no evidence of this and the staff governors agreed that staff felt comfortable to work from home during periods of mild illness.</p> <p>There was no further business.</p>	
	<b>14. Date of the Next Meeting - 25 February 2021</b>	
	The meeting closed at 19:09	
<b>Signed</b>	Approved remotely as an accurate record – 25 February 2021	
<b>Name:</b>	Jack Commandeur	
<b>Date:</b>		