



MINUTES
of the meeting of the Finance and Employment Committee
held on Wednesday 6 July 2022

Present: - Alan Layng (Chair)
James Caird
David Williams (Principal)

In Attendance: - Edward Gwillim (Director of Finance)
Debra Baldwin (Director of Personnel)
Linda Watkins (Clerk to the Corporation)

The meeting was quorate as three Members were present.

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| <p>1. Apologies for Absence
Apologies were received from Igor Andronov, Jeremy Nicholls and Jo Ricketts (Deputy Principal).</p> | |
| <p>2. Declaration of Interests
Appointment of Chair – Alan Layng.</p> | |
| <p>3. Minutes of the last Meeting and Matters Arising
It was agreed that the Chair should sign the minutes of the meeting held on 23 March 2022 as a true and accurate record. The majority of matters arising would be discussed during the meeting.</p> <p>Preparation of the digital strategy is ongoing. A staff survey has been completed to identify needs which is being analysed and used as a baseline. The digital strategy will be presented to the Board for approval later in the year.</p> | |
| <p>4. Annual Operational Plan (AOP)
The Annual Operational Plan (AOP) was reported showing progress against actions linked to the Committee in a written report.</p> <p>The Director of Personnel reported that a staff survey was underway which will be repeated in December. Initiatives are being embedded to provide work/life balance opportunities, examples include the 'good for me good for FE' volunteering initiative and policy to allocate staff five days per annum working from home.</p> <p>Staff turnover has been reviewed with feedback from exit interviews being addressed. There was high turnover in student</p> | |

services with staff leaving for employment attracting higher salaries.

The College has signed up to the AoC Wellbeing Charter. A Governor asked how wellbeing will be measured; this will be by staff surveys, tracking numbers who have taken up services offered (e.g. counselling, offer to work from home). Feedback will be reported in the annual staff report. Surveys will be benchmarked against other colleges in future.

There was discussion about communication with staff. This uses various methods including email, line managers and faculties. Mechanisms to improve communication are being considered including establishing focus groups, additional staff briefings or reintroducing a staff newsletter/regular email.

The Director of Finance updated Governors that the Estates Strategy is being progressed which is a significant piece of work. A shared drive has been set up to share information with the consultants preparing the strategy.

Systems to monitor environmental impact are limited to date. There is a requirement to include carbon reporting in the annual financial statements this year reporting against a standardised model. The College is liaising with Herefordshire Council and undertaking improvements at Walford Campus. A Salix energy efficiency grant is being pursued for decarbonisation; however, there was uncertainty if the College would be successful in the bid due to high demand.

The Head of Finance is continually reviewing and introducing improvements to the finance system to make efficiencies.

The Committee agreed: -

- To note the AOP and progress updates to June 2022

5. Employment Reports

The Director of Personnel presented the following reports.

- I. The staff report highlighted this term's range of staff development which are based on a combination of work related and recreational topics. The 3-year contract for the payroll/HR system is being reviewed. There was detailed discussion about the scale of a project to move to a new system which would involve input from the personnel and finance teams. There was discussion about workload for staff in these areas with assurance that a new system is not anticipated to increase staff workload. Systems and processes are being harmonised across campuses in readiness for the new pay system. Discussion progressed to policies noting that these are gradually being harmonised. KCSIE has been released which will be cross-referenced against other policies. There was discussion about harmonisation of systems, policies and contracts throughout the College with a suggestion to identify differences to be addressed. A significant amount of work has been undertaken to

harmonise policies. Terms and conditions have some variation which is the most significant issue; this will be a strategic decision for the Board. Ludlow College staff are employed on sixth form contracts.

- II. Personnel action plan 2021/22 was noted.
- III. The Gender Pay Gap Report had been submitted. This showed an increase in the percentage difference with fewer hourly paid male staff in March 2021 which had an impact on data. This information is being analysed further.
- IV. RSM HR recruitment audit final report was noted which was given substantial assurance. Recommendations are being addressed.

The Committee agreed: -

- To note the reports

6. Health and Safety

- I. The Director of Personnel presented the health and safety report included accident statistics. There were 71 incidents from December to March with 2 RIDDOR incidents when students had cut their fingers whilst using tools. The adverse event regarded a leak in an area where pipes were lagged with asbestos insulation at Oswestry Campus. The reactive process to finding asbestos was addressed promptly to ensure safety. The College retains asbestos registers at all sites. It was confirmed that contractors are provided with asbestos reports; however, reporting to contractors will be simplified. CMT are discussion actions regarding asbestos to ensure these are robust. Statutory test inspections completed were outlined in the report covering LOLER, water testing and vehicle inspections.
- II. Health and Safety Committee minutes were noted with discussion about lockdown procedures.
- III. Incident response meeting terms of reference.
- IV. Incident response meeting minutes.

The Committee agreed: -

- To note the reports

7. Finance Reports

The Director of Finance presented the following reports.

- I. The management accounts to 31 May 2022 showed overall performance of a surplus which is better than budget. Pay costs are 6.2% below budget. Lower income from fees and catering is offset by budgeted apprenticeship income, higher commercial and farming income. The EBITDA has improved this year despite lower student numbers as some additional income was received by a covid grant. Costs are continually monitored. A Governor asked if actions are being taken to increase allocation of the adult education budget. The College is working with the NHS and through the SDF to offer adult provision; discussions are ongoing with Hoople. The AEB suite of qualifications is limited. The College will continue to subcontract a proportion of the

AEB funding each year. The pension decreased last year noting that this was based on actuarial valuation. This year's valuation will determine the College's contribution to the pension scheme. The 24-month cashflow forecast decreases in March 2023 when cash days decrease to 72.

- II. Write off of bad debts was presented for approval noting that these were very low totalling £797.80.
- III. Tuition Fees Policy 2022/23 was presented with a minor amendment for approval.
- IV. The budget 2022/23 and forecast 2023/24 are being prepared based on the curriculum resource model (CRM) estimating applicants to courses, income streams and course costs. Discussion with faculties and historic trends on enrolments are also taken into account. Group sizes are calculated for the number of applications to courses with minor revisions anticipated in September based on enrolments. Staffing costs, hours and remission are calculated for each course. 16-19 funding and AEB allocation have been reduced next year based on key funding assumptions. The TPS grant has decreased by 43%. The budget assumes 5% inflationary rise with £191k extra uplift for energy costs. A Governor asked if the increase was realistic; the College uses West Mercia Energy Consortium to provide projections. The net reduction in income is balanced by some reductions in expenditure. The cashflow for the budget will include the capital project at Oswestry Campus.

The College's risk averse strategy of minimal borrowing and high cash reserves combined with the surplus this year will carry forward and cushion the deficit for next year. The budget is sustainable in the short term which will be closely tracked. It will be identified if the unprecedented decrease in student numbers will continue and require action to reduce costs.

The Committee agreed: -

- To note management accounts to 31 May 2022
- To write off bad debts totalling £797.80
- To approve the minor revision to the Tuition Fees Policy
- To recommend the Board approve the budget based on the budget process and financial principles outlined noting that this will be presented to the Board in the same format as monthly management accounts. This will be submitted to ESFA in the detailed CFFR spread sheets
- The management accounts to the year-end will be issued to the Committee at the next meeting

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8. Accommodation Reports

The Director of Finance reported the College's bid to FE CTF for Oswestry Campus has been approved with a contribution of £845M.

The College has a bid for round 2 SDF funding in collaboration with Telford College and Shrewsbury College. If successful, this

will provide a dedicated area for technology teaching at Holme Lacy Campus. It is anticipated that in principle agreements will be issued for successful bids next week.

A bid is being prepared for Holme Lacy College and equine stables to the LEP from a fund of £4M eligible to organisations in the Marches to lower the carbon footprint or support other organisations.

The College is working with Ludlow Foundation regarding removing and refurbishing a historic gazebo at Ludlow College.

Discussion progressed to options to work with the Foundation with the possibility of funding a post for student recruitment, progression and opportunities. This would include outreach opportunities linking schools to Oxbridge. The Chair and Trustees of the Foundation James Caird and Carl Morris (Assistant Principal) would share information.

The Committee agreed: -

- To note the accommodation report and progress of bids
- To collaborate with Ludlow Foundation regarding student recruitment, progression and opportunities

9. Policies for approval

The Committee agreed to approve the following policies: -

- Capability Policy
- Special Leave Policy
- Staff Occasional Homeworking Policy
- Staff Conduct and Work Policy

10. Annual item for Committee

The Committee agreed: -

- To appoint Alan Layng as Chair of F&E Committee
- The Committee effectively met its terms of reference.
- No changes were proposed to the terms of reference

11. Any other business and comments

The Chair recorded appreciation to Igor Andronov for his exemplary contribution to the Committee in previous years.

12. Date and time of next meeting

The next meeting was arranged for Wednesday 23 November 2022 commencing at 12.15 pm.