



MINUTES
of the meeting of the Finance and Employment Committee
held on Wednesday 22 March 2023

Present: - Alan Layng (Chair)
James Caird
Julia Evans (Teams)
Jeremy Nicholls
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 five Members were present. The Chair commented that following the strategy meeting in February he proposed considering if items should be reported to the Board during the meeting.

- | | Action |
|--|---------------|
| <p>1. Apologies for Absence
Jo Ricketts (Deputy Principal).</p> | |
| <p>2. Declaration of Interests
No declarations of interest.</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 November 2022 as a true and accurate record.</p> <p>Matters arising included a request to the Director of Personnel to investigate incidents at Walford Campus (38 reported) compared to Holme Lacy College (11 reported). Walford Campus has residential accommodation which had increased incidents. Animal Care provision increases incidents at each campus. Holme Lacy College use minor incident forms with the same process being embedded at Walford Campus.</p> | |
| <p>4. Annual Operational Plan (AOP)
The Chair requested officers to highlight key points from the AOP. Staff recruitment and retention remain challenging with some staff leaving for employment paying higher salaries compared to the College. The Director of Personnel is in discussion with HR professionals regarding staff being required to join the teachers'</p> | |

pension scheme and an analysis of staff retention and recruitment. There was a suggestion to consider offering a range of pensions with an overall package agreed with individuals.

The Director of Finance referred to progress to develop an up-to-date estates strategy and introduce systems to monitor the environmental impact which were limited by additional workload pressures on staff. The College has commissioned a complete set of drawings for all College buildings. A Governor asked if there were any existing drawings which could be digitally migrated. There was a question about the timescale to obtain these noting that a significant amount of information is available which needs to be uniformed and categorised. It was suggested to agree a timeframe and incorporate this in the risk register. This was a low-level risk evidenced by the College successfully applying for capital bids. A Governor asked about health and safety regarding disability access to all the sites; it was confirmed that this information could be provided if requested.

The Committee agreed: -

- To note progress to March 2023 of the AOP
- To notify the Board that staff recruitment and retention, and progress to develop an estates strategy and systems to monitor the environmental impact are key risks identified in from the AOP
- A date to complete the estates strategy was requested which the Committee would follow up in six months. This would also be added to the risk register

E Gwillim

5. Employment Reports

The Director of Personnel presented the following reports.

- I. The staff report highlighted the significant task to change the payroll provider which had been extremely time consuming. The new payroll system will be rolled out this month; to date this has gone smoothly. A Governor asked if there was confidence in the new system noting that it is more sophisticated than previous system which will provide additional electronic reporting. The new system has not increased costs with an option to change to a non-managed system which could create a saving of c£25k.

There are increases to the National Minimum Wage (NMW) effective from 1 April 2023 which have been implemented. It is anticipated and hoped that the increase will improve retention of staff on lower pay scales.

The gender pay gap information has been submitted which will be reported at the next meeting.

D Baldwin

- II. The health and safety report was presented with a question about the completion rate to Smartlog training of 83.26% against a target of 90%. This provides a snapshot and is variable depending on the time data is gathered.

There was a request to consider reporting showing a two-line graph.

D Baldwin

The Committee agreed: -

- To record appreciation to the Personnel team for managing the change to the payroll provider effectively and their hard work to implement the system

6. Health and Safety Committee Minutes: 8 March 2023

These were noted which mirrored the health and safety report.

7. Finance Report: Management Accounts to 28 February 2023

The Director of Finance presented the accounts drawing Governors' attention to income and expenditure. Year to date performance is better than budget; however, timing differences of payments affect this.

There is currently a favourable year to date variance of £1,210k. This is predicted to reduce significantly during the year with the forecast out turn showing a loss of £357k which is £455k better than the budget for the year. Income includes some additional grant income for specific projects this year. The balance sheet is healthy showing limited liabilities and that the College has no borrowing. Provisions take account of the pension scheme liability.

The cashflow has not been adjusted to reflect the proposed budget for 2023/24. The College will make a payment of c£1m to the LGPS pension deficit in April 2023. This is based on the revaluation of the scheme and includes staff from North Shropshire College following merger. The College will have a cashflow advantage by paying the pension deficit up front.

The bottom line had improved which was variable due to capital grant income and spend. A Governor asked if £450k included capital money received this year; this was included in the cashflow but not the I&E. There will be some deferred capital grant income and depreciation. Capital costs vary in the year which included IT spend.

The Director of Finance is discussing the grant from the merger and potential repayment of c£250k with the Transaction Unit.

There was a question about farming activities and the variations to the cashflow in August and December. These are forward projections based on previous activity. Dairy costs at Walford Campus are based on sales of barren dairy cows and purchasing replacement cows. Pound Farm costs are based on the sale of crops.

The contribution rate from faculties is based on income earned and specific costs by each faculty.

A Governor asked reasons for teaching and non-teaching costs being lower. The budget is set based on planned staffing in the area. During the year salary costs are generally less than budget with hourly paid budgets exceeding budget. These are expected to

plateau during the year. Income is anticipated to match teaching costs which are likely to exceed budget. There was a question if the budget for permanent staff should be increased noting that the staff budget is based on the best estimate of student numbers and curriculum delivery. Part time hourly paid staff are used to address any temporary excess teaching which may not be required during the following year.

Discussion progressed to profitability and if the Committee should have a breakdown of course contributions and profitability. A summary of this information is provided in the year-to-date narrative. There was a suggestion to provide a summary to ascertain how the College serves the community which is a key role in addition to course profitability. This dovetails with curriculum intent particularly as CMT may decide to run courses which might not be profitable. The College has a key role to support students and employers by providing courses which are not necessarily profitable to deliver. CMT retain detailed information about course costings in the Curriculum Resource Model (CRM) which is an internal tool used for budget setting. There was discussion about the role of the Quality and Standards Committee regarding curriculum intent. The importance to balance costs and income to provide services in a rural widespread geographical area was recognised.

The Committee agreed: -

- To note management accounts to 28 February 2023
- A summary of faculties including overall contribution and five courses making highest and lowest contribution in each faculty would be included with the budget.

E Gwillim

8. Accommodation Report: Capital Projects update

The Director of Finance outlined key elements from the report.

Ludlow Foundation are funding capital improvements to the refectory at Ludlow College.

Oswestry College capital project is on target with staff commended for continuing to work around the building project.

The SDF2 project to provide specialised equipment for zero carbon technology skills training at Holme Lacy College had short lead times which are challenging to achieve within the budget whilst scoping specialised equipment. Equipment has been ordered which will exceed budget due to significant inflation. LEP part 2 of the project has also increased with additional costs for solar panels; however, it was acknowledged that this will provide an outstanding facility. The upper floor SDF 2 project will be completed soon with some value engineering of the ground floor for the phase 2 LEP project under way. A tour could be arranged for Governors before the Board meeting in July which will be held at Holme Lacy College.

L Watkins

An additional bid has been submitted to rebuild the animal care facility at Holme Lacy College; the College will know if this bid is successful in May.

There was a request to amend the summary table of capital projects to add start/finish dates for the Board's information.

E Gwillim

The Committee agreed: -

- Management accounts forecast the year-end position to be £455k better than budget; however, there are risks to salary costs
- Capital projects are broadly on target with overspend on SDF2

9. Policies

- I. The tuition fees policy 2023/24 was presented for discussion and to recommend to the Board for approval. The policy evidenced support for students who have low income where possible.
- II. The probation policy is a new policy implementing a structure to show that staff are suitable for posts to which they have been appointed whilst allowing some flexibility regarding reviews based on individual staff.

The Committee agreed: -

- To recommend the Board approve the tuition fees policy
- To approve the probation policy

10. Confirmation of items to report to the Board

- I. Staff recruitment and retention and progress to develop an estates strategy and systems to monitor the environmental impact are key risks identified in from the AOP.
- II. Appreciation was recorded to the Personnel Department for their hard work to embed the new enhanced and more sophisticated payroll system.
- III. Management accounts to February 2023 forecast the year end to be £455k better than budget; however, there is a risk to hourly paid salary costs increasing.
- IV. A summary of faculties including overall contribution and five courses making highest and lowest contribution in each faculty would be included with the budget.
- V. Capital projects are progressing to target with overspend on SDF2 at Holme Lacy College.
- VI. Recommendation to the Board to approve the tuition fees policy 2023/24.
- VII. The Committee approved the staff probation policy.

11. Any other business and comments

The Clerk will prepare a summary of key points from all committees which would be provided for the Board as cover sheet with minutes.

L Watkins

12. Date and time of next meeting

The next meeting was arranged for Thursday 29 June 2023 commencing at 12 noon

Signed as a true record of proceedings

Chair: **Date:**.....