



**MINUTES**  
**of the meeting of the Finance and Employment Committee**  
**held on Wednesday 23 November 2022**

Present: - Alan Layng (Chair)  
James Caird  
Julia Evans (Teams)  
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 four Members were present. The Chair welcomed everyone to the meeting, particularly Julia Evans who had joined the Committee; introductions followed.

- |   | <b>Action</b> |
|---|---------------|
| <p>1. <b>Apologies for Absence</b><br/>Jeremy Nicholls and Jo Ricketts (Deputy Principal).</p>  |               |
| <p>2. <b>Declaration of Interests</b><br/>No declarations of interest.</p>  |               |
| <p>3. <b>Minutes of the last Meeting and Matters Arising</b><br/>It was agreed that the Chair should sign the minutes of the meeting held on 6 July 2022 as a true and accurate record.</p> <p>Matters arising were included on the agenda. A Governor enquired about increases to utilities noting that these are unknown but anticipated to be known in March.</p>  |               |
| <p>4. <b>Annual Operational Plan (AOP)</b><br/>The Principal explained that the process to report the AOP to the Board was out of sync following the decision to cancel the October Board meeting due to the Ofsted inspection during the same week.</p> <p>The Director of Finance updated Governors on progress of red and amber actions. The estates strategy has been delayed as there are insufficient resources to collate and verify estates data internally. Bids are progressing for Holme Lacy Campus and Oswestry Campus. Preparation has begun to develop a digital strategy with an ICT Technical and Project Lead role approved and a Digital Learning Mentor appointed; the JISC's digital</p> |               |

elevation tool may be used. Information for carbon reporting has been standardised and collated. The College was successful in three LEP bids last year, most recently to develop a low carbon technology centre at Holme Lacy College creating teaching space for low carbon training.

The Director of Personnel reported that staff survey conducted in July had 33% completion rate. This identified corporate communication needed to be improved which is being addressed with a staff newsletter reinstated as an additional communication tool. Staff turnover has increased marginally with sector levels of teaching staff at 17%. Strategies are being implemented to reduce turnover including an employee assistance programme and an increase to minimum living wage in April which will improve salary levels for low paid roles. Some staff have secured roles in other public sector organisations. The cost of living has impacted on staff. Comparisons of salaries will be undertaken within the public sector and external industries.

The Committee agreed: -

- To note progress to November 2022 of the AOP

### **Annual Employment Reports 2021/22**

The Director of Personnel presented the following reports.

- I. The staff report showed that the overall FTE employee headcount had decreased 35 equating to 59 staff. The age profile of staff is comparable with the previous year with the largest category aged 51-60 years; this is monitored as some staff within this age range could retire at the same time. There are more female staff which mirrors the sector. Recruitment by categories and percentages was provided noting that advertising is being analysed to ensure it is appropriate and attracts diverse applicants. A Governor raised the lower conversion rate to recruit disabled and non-white British which was lower compared with other groups; this indicated that applicants had not been suitably skilled for vacancies. These are continually monitored. Staff absences have increased to 4.9% which included staff with long term illnesses, stress, and mental health related issues. A Governor commented that this appeared high noting that this is a national issue with challenges to recruit and retain some specialist staff.
- II. The staff development report outlined training provided to staff. Training was completed using individual and indirect training, in addition to modules completed by staff and governors on Smartlog, the online training platform. A Governor asked if the take up of Smartlog had improved; this had increased with staff adjusting to use online platforms during the pandemic. This year in person staff development is being arranged for all staff held at Ludlow College to enable staff to meet their counterparts from other campuses. The Board would be invited to join staff at the lunch.

L Watkins

- III. The health and safety report showed seven RIDDOR accidents and 170 incidents in 2021/22. A Governor asked the reason for 38 incidents at Walford Campus compared to 11 at Holme Lacy Campus which would be investigated and reported to the Committee.

D Baldwin

The Committee agreed: -

- To note the annual reports

**6. Health and Safety Committee Minutes: 12 October 2022**

These were noted.

**7. Personnel Action Plan 2022/23**

Action plans were implemented providing a useful management tool to address key issues. Actions required to ensure compliance to KCSIE were included. The new HR payroll system will be operational from March 2023 with the data migration stage underway.

**8. Members' Report and Financial Statements for the year ended 31 July 2022 (Draft) and consideration of the College's 'going concern' for the year-end financial statements**

The Director of Finance explained that financial statements are prepared in a standardised model. Financial information would not be adjusted with some minor amendments to the text.

The consolidated statement of comprehensive income showed total income of £26M and expenditure of £26.2M. There was a deficit of £167K and an actuarial gain of £13.9M to give a Total Comprehensive Income for the year of £13.7M. The management accounts reconciled the loss to the operating profit of £1.35M relating to the LPGS pension scheme accounting adjustment which has both the large actuarial gain and adds £988k of cost to the operational result. Conversely it should be noted that the recently published triannual revaluation of the Worcestershire LGPS shows a substantial reduction in net assets with a commensurate increase in future costs.

The year-end position was substantially better than budget during the year due to student numbers, managing costs and some additional grants. The reduction in student enrolment will be reflected in 2022/23 funding due to the lagged funding methodology.

A Governor commented that farm income is quoted but there are no expenses; this is a requirement of the standard reporting method for the audited accounts. Farm costs are shown separately in the management accounts.

The Committee agreed: -

- To note the Members' Report and Financial Statements to 31 July 2022, specifically the financial data

**9. Annual Finance and Resources Reports**

I. Annual Treasury Management Report 2021/22. This advised Members on activities for the year ended 31 July 2022. It covered treasury management activity during the year, investment arrangements and interest earned. The College had a strong cash balance with some grants held in accounts. A 24-month rolling cash flow is prepared to monitor expectations and assist with treasury management.

II. Annual Estates Report 2021/22. This summarised the Further Education Capital Allocation (FECA) used to fund repairs based on a conditions survey with most of the grant allocated during 2021/22. The menage at Holme Lacy Campus was relocated as part of the grant with repairs and maintenance costs higher last year.

Consultants have been appointed to prepare an estates strategy with some data to be checked internally before the strategy is prepared.

Provision at some leased sites has been consolidated in Hereford, Ludlow and Telford which has reduced costs. The College has a full operating lease for the Gateway in Shrewsbury.

The Committee agreed: -

- To recommend the reports to the Board

## 10. Finance Reports

The Director of Finance presented the following reports.

- I. The ESFA financial return benchmarking and dashboard reported ESFA's assessment of the College's financial health. This is used to calculate the College's moderated financial health for the year to 31 July 2022. The Director of Finance will populate the format which will be comparable to the management accounts and financial statements. It was anticipated that the College's financial health will be outstanding.
- II. Management Accounts to 31 October 2022 had been issued in advance of the meeting. Overall performance of the College for the 3 months to 31 October 2022 shows a surplus of £161K which is £929K above budget. Student enrolments decreased last year noting that some applicants have opted to move into employment instead of education. It should be noted that October management accounts include just one month of hourly paid teaching staff.
- III. Capital projects update. Details of each capital project were provided summarising that the project at Oswestry Campus funded by 50% from the FE transformational fund totalling £1.6M, has increased in cost to £1.9M; the College has allocated £1.95 in the cashflow, the grant is fixed £845K. The project is out to tender planning to commence in the spring for completion in September 2023. Additional space will not be required to accommodate courses during the project. The Assistant

Principal and Marketing Manager will publicise the project. The SDF 2 bid of £300k capital grant is supporting developing a low carbon training area refurbishing a farm building at Holme Lacy Campus. In addition to this the college has been successful with a bid to the Marched LEP for a related project in the rest of the farm building. The capital bid was for £1.5m with a grant of £1.2M. Architects are being selected. The College is working with MCS and will become an accredited centre. A Governor asked about the timescale for the LEP and SDF2. The SDF2 timescale is 31 March 2023 and LEP bid anticipated to be complete by Spring 2024.

- IV. The student enrolment levels seen both last year and this autumn appear to be the new normal in the current financial climate. Management closely monitors income and expenditure adjusting as required.

The Committee agreed: -

- To note ESFA correspondence
- To note management accounts to 31 October 2022

Julia Evans left the meeting

#### 11. **Subcontracting**

The Board is required to approve the subcontracting policy for 2022/23 and confirm approval of the level of subcontracting. The College has one subcontracting partner The Skills Network.

The Committee agreed: -

- The Board would be requested to approve the subcontracting policy

#### 12. **Policies for approval**

- I. Financial Regulations (approval)
- II. Draft HLNSC Wellbeing Policy - new policy
- III. Draft HLNSC Menopause Policy - new policy
- IV. Draft HLNSC Day Duty Manager Policy - new policy
- V. HLNSC Staff Volunteering Policy - new policy
- VI. HLNSC Volunteering (external) Policy - new policy
- VII. HLNSC Staff Conduct at Work Policy - revised
- VIII. HLNSC Safer Recruitment Policy - revised
- IX. HLNSC Ionising Radiation Policy - revised
- X. HLNSC Accident Reporting and Investigation Policy - revised

The Committee agreed: -

- To approve the financial regulations and note other policies

#### 13. **Any other business and comments**

- I. There is a possibility that the TU will clawback some unspent funding. The Director of Finance is liaising with the TU. It was anticipated that c£300K was at risk of being returned to the TU.
- II. Mercers complete triennial valuations of the pension fund with a summary report presented.
- III. A summary of the potential impact of reclassification of colleges to the public sector was provided. ONS are expected to announce its decision imminently. It is anticipated that this will introduce additional control

mechanisms; however, the curriculum and student experience would not change.

- IV. The Principal informed Governors of preliminary discussion with Dudley College regarding extending the Institute of Technology into the College.

**14. Date and time of next meeting**

The next meeting was arranged for Wednesday 22 March 2023 commencing at 12.15 pm. [post meeting time of meeting revised to 12 noon]

**Signed as a true record of proceedings**

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