



## Minutes of: Finance and Employment Committee

**Date:** 12.00 Weds 13<sup>th</sup> March 2024    **Location:** Principal's Office

**Present:** Alan Layng (Chair), Julia Evans, Toby Kinnaird (attending online), David Williams (Principal & CEO), James Caird (Co-opted Member)

**Attending:** Ed Gwillim (Finance Director), Debra Baldwin (Director of Personnel), Sam Tomkins (Temp Clerk to Governors), Ben Greenwood (Staff Governor- observing), Ian Scott Bell (Independent Governor - observing).

**Quoracy:** Meeting was quorate

Meeting observed by Rob Lawson (AoC External Governance Review Consultant, attending online)

1. **Apologies for Absence:** none
2. **Declaration of interests:** none
3. **Minutes of last meeting**
  - a) **Approval of minutes of meeting held on 29<sup>th</sup> November 2023:** minutes approved as true and accurate record. All were happy with the new format of the minutes.
  - b) **Matters arising from minutes**
    - Update given on ongoing work around considering benefits for staff: health insurance and car schemes; summarising benefits on an annual basis; career development support and progression opportunities in place (both for staff clearly wishing to progress and more generally across all staff)
4. **Annual Operating Plan 2023/24** - The Director of Personnel and the Director of Finance presented this report and highlighted key areas:
  - Pay increase has been implemented - positive response from staff, and it is hoped that this will help with retention
  - Teaching contracts being compared against AoC latest details. It is likely that any new contracts to be implemented will be for new staff.
  - Cyber security – estates and IT teams reinforced and planning underway around hardware replacement. Recent supplier had a cyber-threat but failed to inform us: system now disabled. Director of Finance to check the contracts regarding whether it states they need to advise if they are affected
  - Two middle managers recruited to support Head of Estates with major capital projects

**Action: Director of Finance**

5. **Personnel Reports:** the Director of Personnel presented the reports below, highlighting key areas:
  - a) **Staff Report**
    - payroll audit in January 2024 – a thorough audit which received outcome of ‘substantial assurance’
    - Payroll System (Edupay) transition: some improvements still outstanding for Edupay to look at such (e.g. new calendar structure, approval of holiday). The

Committee thanked the Director of Personnel and her team for their work to ensure a smooth transition of the payroll system

- April 2024 Minimum Wage increase will only affect 5 members of staff due to the recent pay increases awarded
- Employee benefits: Director of Personnel is in touch with AXA regarding medical insurance
- Gender pay gap between male and female staff has reduced due to pay increases over last two years

Committee Members asked about the employer assistance programme, staff awards and length of service, and bonus reporting within the Gender Pay Gap data presented. The Director of Personnel confirmed that there were no bonuses given but that this was a statutory report. She also reported that no changes made to length of service awards due to high staff numbers.

**6. Health and Safety Reports:** The Director of Personnel presented the reports below, highlighting key areas:

**a) Health and Safety Report**

- RIDDOR incidents slightly higher than normal (5 RIDDOR during Aug 23-Jan 24). Health & Safety Advisors are analysing severity of these accidents and accuracy of reporting /reporting structure that may have contributed to this First incident of ambulance being refused was noted. An observing Governor asked whether a review of PPE for the workshops (tailored to individual trades) is required – the Director of Personnel agreed to investigate.

**Action:** Director of Personnel

- New appointment at HLNSC - Health and Safety Advisor for Hereford, Holme Lacy and Ludlow - now integrated with approach for North and South campuses with integration of electronic systems being looked at.
- Break-in and theft of equipment – recent incidents noted to appear more brazen and violent, and a number of farms were targeted. Security guard has been put in place in Walford including at night. Looking at improving physical security and gates and access. Currently covered with private sector insurance.

**b) Minutes from last Health and Safety meeting:** The Committee noted these for information only. Alleged slurry incident noted, and the need to be watertight on policies regarding these types of incidents was discussed.

**7. Finance Reports -** The Director of Finance presented these reports, highlighting key areas:

**a) Management Accounts**

- End of January accounts demonstrate breaking even and cash flow is strong
- Significant additional funding announced after FY24 college budget set - overall sufficient adverse pay/non pay cost compared to income.
- Push on Academic non-pay amounts has been challenging, but keeping the pressure on

- Looking to use maintenance grant funding to reduce revenue costs for the future. Director of Finance to speak to Committee Member regarding Hereford roof
- Expecting to return a loss at year end. Potential consequences include increased ESFA reporting requirements
- Projected 2024/25 funding expected to £1.6m up on this year, due to increased learner numbers this year and 2023/23 retention.

**Action:** Director of Finance

**b) Subcontractor Value for Money Evaluation**

- Purpose of report is to demonstrate satisfaction with subcontractor (The Skills Network), using a proposed methodology to test their performance Colleges subcontract different contracting streams
- Report demonstrates satisfaction with current providers
- The Skills Network offer adult education short courses, and subcontracting to them helps to protect HLNSC adult education funding allocation.
- Putting out to tender risks less reliable providers applying

**Decision:** Committee agreed to recommend report to board for information

**c) ESFA correspondence regarding financial statement**

- ‘Requires improvement’ outcome, but no concerns regarding next year. Points score for 2022/23 was 190, but noted as being affected by adjusted operating surplus. Overall report shows positive data, including strong balance sheet and performance.
- Provider funding audit went well. Some monies were re-profiled. An error resulted in a claw-back of £480 in total – for discussion at ESFA Strategic Conversation meeting

**8. Estates Reports:**

**a) Capital Projects update – the Director of Finance presented this report and highlighted key areas:**

- Oswestry works have been completed
- Erection of Holme Lacy stables in progress - project has been more challenging than expected due to meeting building standards
- Looking to fund Holme Lacy Animal care unit development through a different source, as not covered in current grant funding (which is for new-builds only)

A Committee Member asked about approvals of grant monies spend at Board level, and a discussion around levels/sources of spend and Board/Management approval was held. The Principal agreed to confirm approval values and frameworks.

**Action:** Principal

**9. Policies due for review**

**a) Tuition Fee and Remission Policy 2024/25**

- Update with limited changes. Slight increase due to inflation.

**Decision:** Committee agreed to recommend to Board for approval

**10. Confirmation of items to report to Board for noting/approval** - Committee agreed update to April Board meeting should include:

- Staff recruitment is improving.
- Retirement of Director of Personnel
- Finance – worse cash position, but due to more grant maintenance and more students, and college maintains a strong balance sheet
- Capital projects are ongoing. Animal care will be priority for new grant applications.

**11. Any other business and comments:**

Observing Governor asked about LCTTC supplying small amount back to grid.

**12. Date and time of next meeting:** Wednesday 1<sup>st</sup> July 2024 at 12noon

Minutes approved: ..... Date: .....