



## Minutes of: Finance and Employment Committee

**Date:** 12.00 Weds 29<sup>th</sup> November 2023      **Location:** Principal's Office

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

**Attending:** Ed Gwillim (Finance Director), Debra Baldwin (Director of Personnel), Rebecca Semple (Clerk to Governors), Laura Johnstone (Independent Governor sitting in)

**Quoracy:** Meeting was quorate

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> June 2023:** approved as true and accurate record
  - b) **Matters arising from minutes**
    - Subcontracting controls audit recommended market testing rather than full tender. Meeting action altered accordingly

**Action:** Director of Finance

4. **Annual Operating Plan 2023/24** - The Director of Personnel and the Director of Finance outlined progress against key areas for their focus in the AOP:

The Director of Personnel outlined progress against Retention and Recruitment as her key focus in the AOP. The Principal acknowledged pay improvements already approved by committee, but noted £8-9K/year lag behind schools. Committee Members suggested and discussed:

- consideration of further benefits that schools less able to offer
- audit of past cases to identify and focus benefits on top reasons for absence/understand where additional benefits could have improved an outcome
- potential provision of an individual annual summary of benefits
- support for first-line managers in delivering career progression support

**Action:** Director of Personnel

The Director of Finance outlined progress against his key areas for their focus in the AOP:

- Capital Grants
- Cybersecurity measures
- Estates Strategy: The Director of Finance responded to Committee queries about this, noting resourcing this work is the current barrier. The Principal noted that various projects already underway will form part of a future Estates Strategy, as well as a need for this to be led by a Curriculum Strategy (which Committee agreed with). The Principal also noted the role of an Estates Strategy in support of the longer-term approach that is anticipated to be required by DfE for future Capital Grants.

5. **Annual Employment Reports 2022/23:** the Director of Personnel presented the reports below, highlighting key areas:

**a) Staff Report**

- Staff Recruitment and Retention (noted as similar to wider sector)
- Staff absences: reduced significantly over past two years, with anxiety/depression most significant factor in reasons for absence, and Covid-related longer-term absence also now specifically recorded
- Holiday pay: recent government consultation has reversed some of the previous more challenging rulings, and the College pays a higher rate than the recommended 12.07%. A holiday and holiday pay policy is in development.

**Decision:** *Committee agreed to recommended to Board for noting*

b) **Staff Development Report:** Staff groups continue to be consulted in order to identify specific development needs arising, and the Principal invited thoughts around this from other industries. The Smartlog system is proving successful and efficient, and a move to align staff development across all sites is underway.

**Decision:** *Committee agreed to recommended to Board for noting*

**c) Health and Safety Report**

- Key area for focus is slips, trips and falls, with an increase noted even when taking into account the significant contribution of Nursery data
- New software options to improve recording of statutory testing of systems (fire alarms etc) are being considered, with a Committee Member welcoming this, commenting on the value of straightforward and consistent reporting in advance of any potential H&S Executive investigation.

**Decision:** *Committee agreed to recommended to Board for noting*

6. **Health and Safety Committee minutes: 11 October 2023:** noted by the Committee

7. **Personnel Action Plan 2023/24 :** Action plan noted by Committee, Director of Personnel updated on current work around updating contracts of employment in line with AoC recommendations.

8. **Members' Report and Financial Statements for the year ended 31 July 2023 (Draft) and management accounts to 31 July 2023 and consideration of "Going Concern" status**

The Director of Finance presented these reports. The Committee noted that:

- a deficit budget was deliberately set, but noted some grants are not built into budget
- HLNSC has two pension schemes (TPA, LGS), but all adjustments relate to LGS
- £9.5million variance due to pension scheme is related to rising interest rates, and therefore at risk of disappearing if interest rates decrease
- The report values HLNSC as a 'going concern', which Auditors have confirmed is also their opinion

**Decision:** *Committee accepted reports and agreed to recommend adopting the Going Concern basis to Board*

**9. Annual Finance and Resources Reports:** The Director of Finance presented these reports, highlighting key areas

**a) Annual Treasury Management Report 2022/23**

The Committee noted a cautious approach is being taken, while taking advantage of some higher interest rates, and in view of the fact that Public Sector classification means Secretary of State approval required for any borrowing.

**b) Annual Estates Report 2022/23**

Related work (decarbonisation roadmap work) is focusing on data that will help in developing the Estates strategy.

The Director of Finance reported on site developments over past year as being:

- **Oswestry:** development of workshops and salon on ground floor/annexe, with some related upgrades. A sense that this investment has increased feeling of security for staff following merger was discussed, and a Committee Member reported positive local word-of-mouth feedback.
- **Walford:** development around stables and farm (with allocated funding).
- **Gateway:** in discussion with Council regarding some development barriers experienced
- **Ludlow:** undergoing highest level of development across all sites, with discussions currently underway regarding potential use of previous training kitchen space. Related discussions with Ludlow Foundation are ongoing and positive.
- **Hereford:** Roof-located generator now assures an uninterrupted power supply for all Folly Lane colleges in event of a mains outage. Training restaurant development has been successful. Hair and Beauty salon development a longer-term plan if grant funding arises.
- **Holme Lacy:** Low carbon tech centre development underway (multi-phased project funded by multiple grants). New stables currently in progress. Animal Care area development (and accompanying ability to provide higher level of course) area a longer-term plan if grant funding arises.

Committee Members raised and discussed addressing of sustainability within estates development activity, and noted the potential place of all development discussed in a future Estates Strategy.

**Decision:** *Committee agreed to recommend the report to the Board for noting*

**10. Finance Report updates**

**a) ESFA College Governors Dashboard April 2023**

The Director of Finance confirmed that the 'requires improvement' statement is related directly to the 'profitability' measure being rated at a '0'. The Committee noted that all other areas of the dashboard are positive, and that the lack of profitability is line with the college mission. The Principal noted that a termly meeting is held with ESFA, at which there has been no mention of concern regarding this.

**b) Management Accounts to 31st October 2023**

The Committee noted this report from the Director of Finance, who noted an assumption made (in cashflow area) related to an expected future pay increase conversation.

**c) Capital Projects Update**

The Committee noted this report, whose key areas had been covered in discussions above.

**11. FY24 Sub-contracting Policy:** The Committee noted this updated policy which was presented by the Director of Finance.

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

**12. Draft FY24 Financial Regulations Policy:** The Committee noted this updated policy which was presented by the Director of Finance.

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

**13. Any other business and comments:** none

**14. Date and time of next meeting:** Wednesday 13th March at 12noon