

**FINANCE AND GENERAL PURPOSES COMMITTEE
MINUTES OF MEETING HELD ON WEDNESDAY 24 FEBRUARY 2021, 1700hrs,
USING 'TEAMS'**

Present:

Mr Steve Johnson (Chair)
Mr Jonathan Sendell
Sophie Annett
Paul Cox (Chief Executive and Principal)

In attendance:

Kevin Jones, Vice Principal (Funding, Finance and Management Information)
Darren Coventry, Vice-Principal (Commercial and Customer Services)
Dr Chris Davis, Clerk to the Board (minutes)

F.01.21 GOVERNORS' MEETING TIME WITHOUT SMT

There were no matters discussed.

F.02.21 COMMITTEE MATTERS

i Apologies

There was one apology from Mr Rupert Goodman.

ii Declaration of interests

The Clerk made the Committee aware that item F.05.21, iii, 'Annual Pay Review' was a declared interest for all staff members present. There were no other declarations of interest declared.

iii Minutes of last meeting

The minutes of the meeting held on 18 November 2020 were agreed and signed as a true record.

iv Matters arising

All actions from the previous meeting had been completed or would be reviewed later in the meeting.

There were no further matters arising from the minutes of the meeting held on 18 November 2020.

F.03.21 GOVERNORS' MONTHLY REPORT

i Financial aspects (Commentary on Management Accounts for the period 1 August 2020 to 31 January 2021)

Mr Jones reported that the January 2021 accounts had been completed on the 24 February 2021.

The updated half-year forecast January 2021 is an increased deficit of £460k from the December 2020 forecast of £395k deficit, because of the detailed review of the income and expenditure lines.

He went on to explain that the original budget total income included a realistic reduction in apprentice income to reflect the impact of lockdown on the economy and the employers that apprentices are employed by, and the assumed loss of apprentice income linked to terminating a subcontractor apprenticeship contract.

The half-year update of income forecast has been as detailed as possible based on data recorded in the Student Records database and includes some large movements from the early year forecast.

Income lines:

The updated variance is a net decrease of £473K due to restricted activity on the tuition fees as well as the projection based on latest apprentice numbers.

Mr Jones explained some of the variances from the income lines focusing on:

- Grant Funding
- Tuition Fees
- Other Income

Expenditure lines

Total budget expenditure is £21,613k, the latest forecast is £20,826k a reduction of £145k this month and is aligned to changes in the forecast to income.

Mr Jones then went on to summarise the expenditure variances focusing on:

- Pay Costs
- Subcontractor Payments
- Operating Expenses

He concluded by drawing attention to the financial health score. He reported that the budget outturn figures as previously reported deliver a financial health score of 120, this is the minimum score to achieve a rating of 'Requires Improvement' and avoid an 'Inadequate' rating. The latest forecast suggests an improvement in the score to 140, which is a mid-scale 'Requires Improvement' score.

Mr Jones felt that the College would not get back to a break-even position this year, but he was hopeful that there would be improvement on the forecast £460k deficit and the £395k deficit that was previously forecast.

Mr Johnson thanked Mr Jones and said the report was now much more understandable and easier for Governors to recognise key issues.

Governors noted the Financial aspects from the tabled Income and Expenditure Account as of 31 January 2021.

F.04.21 TO RECEIVE

(Confidential items)

- i Update on SMT Investigation Response – RAG and Comments**
(See Confidential addendum).
- ii Subcontracting Provision – Annual Report 2019/20**
(See Confidential addendum).

(End of Confidential items)

iii Eastleigh College Ltd – interim report

The Clerk made Governors aware that Eastleigh College Ltd is a Limited company solely owned by Eastleigh College to run the MOT testing centre. This interim report covered the period of August 2019 until July 2020.

He reported that the income had been affected by COVID-19 closure during April, May and June 2020, but was wholly consistent with previous years income.

There was no further news to report.

Governors received the Eastleigh College Ltd – interim report.

iv Environmental & Sustainability Strategy Action Plan update

See item F.06.21, iii below.

Governors received the Environmental & Sustainability Strategy Action Plan update.

v Working from Home and Home Working Policy

Mr Cox reported that this policy was still in the early stages of refinement and proposed that after further work and further consultation with the Unions that it should be brought back to the Committee in June.

ACTION: CD

Governors agreed to the proposal that the Policy would be brought back to the Committee at the June 2021 meeting.

F.05.21 TO REVIEW

i Risk Management (Review F&GP items on the Risk Register and Risk Reduction Plan)

Mr Jones shared the Risk Register that was approved by the Board at their last meeting on the 16 December 2020. He identified five risks that fit most closely with the workings of F&GP.

He also informed the Committee that the Risk Management Board had revised the scoring of each of the 14 risks, both in terms of gross risk and net risk at their meeting on the 19 January 2021.

The five risks identified by Mr Jones as being most important and relevant to the F&GP Committee (Finance Policy Group) were:

3. Failure to manage the college finances
5. Failure to manage health and safety
7. Failure to achieve learner recruitment targets
9. Failure to recruit and retain competent and committed staff
13. Failure to prepare for a major system outage or data breach, including cyber-attack

The Committee were satisfied that the five risks identified were those that specifically aligned themselves to the work of the F&GP Committee.

He said that each risk will contain an individual risk report detailing and identifying the following:

- The triggers
- The consequences
- The controls measures, and
- The assurance in those controls
- Actions to mitigate against emerging risks and
- actions to mitigate after risk events

Mrs Annett asked how regularly the trends would be brought to the Board.

Mr Jones explained that the Risk Management Board meets three time a year; he also proposed to start including the Risk Register in the Governors' Monthly Report so that Governors can see it more regularly and have the opportunity to report back.

Mrs Annett asked for a date to be included on the trends.

Mr Jones responded by saying that the last review date was shown in column H. The Risk Register would be reviewed in its entirety at every Risk Management Board, three time a year.

Mr Johnson had a concern that the 14 Risks identified were not specific enough and therefore difficult to evaluate.

Mr Jones explained that this was the value of being able to discuss the broader risks as a group and getting a mixed viewpoint. The context and the range of each risk is detailed in the individual risk reports behind each of the main risk headings.

Governors reviewed the F&GP items on the Risk Register and Risk Reduction Plan.

ii Review Financial Regulations & Procedures

Mr Jones provided the Committee with a verbal update on the College's Financial Regulations & Procedures. A major revision of the Financial Regulations and Procedures were approved at Board in July 2020, but at the time it was noted that amendments linked to the removal of cash processes would need to be brought back for approval in early 2021. These changes were not yet ready for approval so the updated paper is now planned for discussion by F&GP at the next meeting.

The Financial Regulations & Procedures remain extant from those approved in July 2020 and the item will return to the Committee at the June 2021 meeting for recommendation to the Board for approval.

(Confidential items)

iii Annual Pay Review

(See Confidential addendum).

iv Tuition Fee Guidance and Fee Level Proposals

(See Confidential addendum).

(End of Confidential items)

F.06.21 TO APPROVE

(Confidential item)

i Subcontracting Working (approval of increased or new contracts)

(See Confidential addendum).

(End of Confidential item)

ii Job Share Procedure

Mr Jones explained that the changes to the procedure are a simple tidying up and revision of the previous version; changes of new job titles and consolidating the term student with learner.

The most significant change referred to the Chair of the Board chairing an appeal committee instead of the whole Board.

Mr Johnson queried the use of the word 'only' in section 2. 'Vacancies and recruitment procedure' and felt that it should be replaced by the word 'all'.

ACTION: KJ

Mr Johnson asked if it was appropriate or indeed feasible for an SMT member of staff to have a job share.

Mr Cox said that even though members of staff of different sexes received the same annual income for the same position, the gender pay gap report still showed a discrepancy. The procedure therefore needed to allow for the consideration of a job share within the SMT to try and alleviate this incongruity.

Governors approved the Job Share Procedure.

iii Environmental & Sustainability Policy

Mr Jones explained that the policy was an affirmation of the College's commitment to the principle and practice of environmental protection and sustainable development, with a focus on continuing improvement and reducing pollution. It was also paramount in improving the College's performance and reduction in running costs.

Governors approved the Environmental & Sustainability Policy

F.07.21 TO CONSIDER

i Confidential items

Governors agreed that agenda item 4.i, ii, iii; 5.iii, iv and item 6.i would be determined as a confidential agenda item and will be annotated as such within the minutes of the meeting.

Mr Johnson thanked the Committee for their support during the previous 18 months and declared that this was his final meeting as F&GP Chair.

F.08.21 DATE OF NEXT MEETING

Wednesday 23 June 2021 commencing at 1700hrs

Governors' Monthly Report – including financial aspects and matters arising
Review of revenue and capital budget for 2020/21 and three-year financial forecast
(for Approval by the Board)
Financial Regulations & Procedures (to recommend to the Board for approval)
Health & Safety Policy– to approve
Dignity at Work Policy
Working from Home and Home Working Policy
Proposed Sub-Contracting Arrangements for 2021-22– to approve
Subcontracting Working (approval of inc or new contracts)
Redundancy Procedure for Senior Postholders (if changed)
Environmental & Sustainability Strategy Action Plan (to receive)

There being no further business, the meeting closed at 1900 hrs.