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MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON WEDNESDAY 16 JUNE 2021

Present

Angela Briggs	Governor
Paul Grinell	Governor
Mick Lochran	Governor
Paul Scanlon	Governor
Mark Swales	Governor (Chair)

The quorum for the meeting was three Members.

In attendance

Joanne Platt	Interim Director of Governance / Clerk to the Corporation
Peter Doherty	Chief Operating Officer
Barrie Shipley	Director of Finance
Kathryn Brentnall	Deputy CEO and Principal
Rachel Maguire	Chief People Officer
Les Kirk	Director of Estates (Items 1-3 only)

The meeting was held by MS Teams and commenced at 4.30pm.

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1 Apologies

Apologies for absence were received from Richard Gravestock.

2 Declarations of Interest

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

There were no declarations of interest.

The Chair welcomed Rachel Maguire to the meeting.

3 Estates

The Committee considered the Project Manager's progress report in relation to the 2021 Estates Improvement Programme, noting that work is on track. The AIRCO mezzanine workshop is now complete albeit with some outstanding snagging and it was noted that the new agile working space due at North Lindsey and the concept space at Doncaster looks good.

The Estates Team is working closely with curriculum leads to minimise disruption in relation to work due for completion in August and a phased occupancy is planned.

Governors noted that the programme doesn't allow for contingencies, which is a concern during the Pandemic should the situation worsen. However, to date, all contractors for Tranche 2 works have confirmed their availability to deliver works within the planned nine-week programme.

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Governors considered the risks identified by the project manager and the proposed mitigation to minimise risk.

It was confirmed that several workshops had been held with staff and that staff had been involved in the initial design. Virtual project rooms have been developed with Mood Boards and follow up workshops are planned, to ensure that staff are fully engaged and supported during the works.

In response to a question from a Governor in relation to a potential budget shortfall for implementing renewable energy, it was confirmed that funding streams are to be re-aligned to address this.

Governors asked if the Estates Team had enough resources to manage the projects and it was confirmed that the Team is seeking some additional project management support.

In response to a question from a Governor in relation to the provision in the contract for damages for late completion, it was confirmed that this is being looked at for future works.

The Chair thanked the Director of Estates and his team for their work and their contribution to the recent In-Depth Review (to be considered under Item 13).

It was noted that staff from the Department for Education were to attend the 7 July meeting of the Corporation Board to provide an update in relation to the North Lindsey Capital Project.

Les Kirk left the meeting at 4.50pm

4 Minutes and Confidential Minutes of the Finance & Resources Meeting held on 17 March 2021 and any matters arising

The minutes of the meeting held on 17 March 2021 were agreed as a true and accurate record and will be signed by the Chair.

All actions are complete.

The confidential minutes of the meeting held on 17 March 2021 were agreed as a true and accurate record and will be signed by the Chair. In relation to Action 5 of the confidential minutes, it was noted that changes to the Bank Covenant was still subject to confirmation from the College's bank and the transfer of staff employed by one of the College's subsidiary companies to college contracts was still under discussion with the Trade Unions.

Action 9 is for the newly appointed Chief People Officer and is therefore still to be completed.

5 Recruitment Update

The Deputy CEO and Principal provided a verbal update to the Committee, noting that applications in relation to 16-18s were currently 5,151 compared to an allocation on 4,354, with an anticipated 4,800 enrolments by the start of the academic year. It was noted that the College had over recruited in 2020/21 and had accordingly received

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	<p>additional funding for this. To date, applications are 565 higher than at the same time last year and progress is 180 higher than at the same time last year.</p> <p>Governors noted that the summer period will be challenging, with a lot of work going into student induction and in supporting students to ensure they are on the right programmes. The College will recruit additional staff or re-deploy staff as required in response to an increase in enrolments.</p> <p>In relation to 19+, applications are current approximately 300 higher than at the same time last year and Governors noted that many enrolments for ESOL and through Job Centre Plus occur in-year.</p> <p>The devolved Adult Education Budget will pose additional challenges this year and the College has developed a robust tracking mechanism to address this.</p> <p>Apprenticeship starts are 200 higher than planned, with many starting in January 2021.</p> <p>Applications for HE are higher than the 800 target and are approximately 70 higher than at the same time last year. However, it was noted that progress from year to year will be a challenge. Lecturers are being recruited and it was noted that the Chief People Officer has met with the Vice Principal (HE) to consider the recruitment strategy.</p> <p>The Committee noted that devolved funding may potentially increase the adult education budget by approximately £1.5m, mostly from the Sheffield City Region. Although there are lots of opportunities, there is also risk and the College is reviewing how it structures its new offer for adult education.</p> <p>Governors gave congratulations for the recruitment figures to date and asked how this compares with the rest of the sector. It was confirmed that 16-18s recruitment is holding up well in the sector, although other colleges are not seeing the same increase in apprenticeships. HE is the biggest risk nationally, with many colleges impacted by a lowering of entrance criteria by universities, mostly in bigger cities. It was noted that there may be a recruitment surge in HE in September.</p> <p>It was also noted that recruitment for T-Levels is strong.</p>	
6	Management Accounts to 30 April 2021	
	Governors were given an update on the accounts to the period 30 April 2021. Details are confidential and are therefore kept as a separate record by the Director of Governance.	
7	Finance Update – 2021/22 Budget	
	Governors were given an update on the 2021/22 budget. Details are confidential and are therefore kept as a separate record by the Director of Governance.	
8	Staff Pay Award 2020/21	
	Governors considered a report on the staff pay award. Details are confidential and are therefore kept as a separate record by the Director of Governance.	

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9	Reserves Policy	
	<p>The Committee considered the revised Reserves Policy which has been reviewed as part of the annual review cycle of policies. It was noted that the policy was last updated in March 2020 with a review date of 31 July 2021. There is little change other than to align the minimum cash days with the Further Education Benchmarking definition that was revised in February 2021 and set a minimum cash days threshold for all months as 25 days.</p> <p>Governors noted that having an effective reserves policy in place provides assurance in relation to the financial capabilities of the DN Colleges Group, with the revised policy providing for the optimum level of free reserves (cash and cash equivalents) of £9m with a minimum working capital threshold of £3m.</p> <p>Resolution: to approve the Reserves Policy 2021-24.</p>	
10	College Finance Assessment Letter and Governors Dashboard	
	<p>The Committee considered the College Finance Assessment Letter and Governors' Dashboard received from the ESFA, following submission of the Group's financial statements and annual assurance returns, including the Finance Record for 2019-2021.</p> <p>It was noted that the ESFA has confirmed the College's financial health grade as 'Good' for 2019/20, with a forecasted 'Outstanding' for 2020/21.</p>	
11	Digital Technologies Programme Highlights Report	
	<p>The Committee considered the Digital Technologies programme plan highlights report and noted that new staff including the IT Infrastructure Project Manager to manage the O365 project had recently started work at the College. The O365 single tenancy project is on track and it was noted that members of SLT are meeting regularly with the Digital Technologies management team to ensure that risks and solutions are being managed and the programme is fully supported.</p> <p>Other related projects include the plan to migrate to a single telephony platform and Governors noted that this is contingent upon an upgrade to the Wi-Fi infrastructure.</p> <p>Whilst the College has moved successfully to online delivery over the previous 12 months, sustaining and developing this at a level of quality and engagement greater than a simple Microsoft Teams call will be essential. Online learning and teaching now forms a core quality element of the College's teaching, and investment will be required to ensure that staff have the skills and access to technology required to deliver a high-quality student experience.</p> <p>The Committee noted that the programme of works and the associated budget is being managed effectively and within budget and Digital Technologies will remain an area for ongoing investment in the new planning round underway for the 2021/22 financial year.</p>	
	<p>In response to a question from a Governor about the Governors' area on the website, it was agreed that the Chief Operating officer will provide a timeline for this work to the Committee.</p>	COO

12 Business Services Term 2 Reports:

a. Estates

The Committee considered an update on Estates and Facilities activity at the end of Term 2, noting that there had been a strong focus on mass COVID testing from the 8 March, a focus on capital projects, changes to staffing in the Estates and Facilities teams and an unannounced Statutory Inspection by the Health and Safety Executive, which the Committee noted had gone well, with no significant issues identified.

Governors thanked the team for its hard work and commitment, particularly during the unannounced inspection.

Governors expressed concern about the amount of work vested in the Director of Estates, noting the risk to the College if he becomes unavailable. It was noted that plans to recruit additional resources were being implemented.

In response to a question from a Governor, it was confirmed that there is no guidance available about the measures needed to keep staff and students safe when COVID restrictions are lifted, although the College will continue with a blended approach to teaching in the future.

b. Digital Technologies

The Committee considered an update on Digital Technologies activity at the end of Term 2, noting that Term 2 has seen Steve Patterson, Director of Digital Technologies leaving, and Elaine McFarlane being appointed as Interim Head of Digital Technologies initially until the end of June. Currently the Director post and backfill to cover the project management of the Interim role has not taken place, but this is now deemed to be urgent and an advert seeking a new Chief Information Officer will go out next week.

The Committee noted that the appointment of the IT Service Quality Manager is key to the service addressing customer service issues. This role will also ensure that the service can respond to the needs of its users in a structured way. Priorities have been focused on addressing issues in relation to the Helpdesk. IT is also working closely with the Estates Team on the capital projects

The Committee noted that managing the current Departmental workload has been challenging and that this will increase following the initiation of the O365 Single Tenancy project. The new role will mitigate some of this, as well as working with 3rd party suppliers on delivery.

Work has continued to support staff and students as well as looking at viable options to ensure that equipment is returned in time over the next few months, to ensure that it can be utilised to support the next cohort of students. IT Services has also been working to improve Wi-Fi coverage and Intranet connectivity and has been developing its relationships with Estates to ensure that work is planned and synchronised where possible.

The Committee noted that working more closely with key stakeholders since the in-depth review of Digital Technologies has given the service a clearer understanding of the support that is required to inform future planning in relation to projects.

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	<p>Due to the absence of the Head of HR, there was not a HR report at this meeting. However, the Chief People Officer asked the Committee to consider the type and format of HR information it would like to see in the future.</p>	
	<p>It was agreed that the Interim Director of Governance will circulate the last HR report to the Committee, so that Committee members can email their suggestions for changes to the report, to the Chief People Officer.</p>	Interim DoG
13	In-Depth Review – Estates	
	<p>Governors considered a report on the outcome of a recent in-depth review of Estates, noting that Governors attending the meeting had been assured and were impressed with the passion and commitment of the Estates Team, the breadth of the role and what is being done.</p>	
	<p>They have confidence in the team, although have concerns over the scale of the challenges ahead and it had been agreed that the Director of Estates should attend the Finance and Resources Committee twice a year to provide updates on progress on major projects and land disposal, with possible future attendance at Corporation Board.</p>	
	<p>The Committee noted that there are no outstanding issues to follow up, other than a progress review in the Autumn.</p>	
	<p>The Committee observed that the in-depth review process was robust and was becoming embedded.</p>	
14	Review of Workplan and Terms of Reference 2021/22	
	<p>The Committee considered its Terms of Reference and cycle of business for 2021/22, noting that they have been reviewed to align with the revised Scheme of Delegation which was considered by the Search and Governance Committee at its meeting on 19 May. The review sought to provide clarity by resolving some conflicts within the existing Terms of Reference and Scheme of Delegation.</p>	
	<p>It was noted that the Committee has a very wide remit and it was agreed that in light of the amount of work ahead in relation to the transformation agenda, including capital projects and the work in relation to the College’s people, consideration would be given at the next Chair’s meeting to the creation of a short-term Transformation task and finish committee or sub-committee, to ensure that the work of the main committee isn’t so large that members can’t give due consideration to all the reports before it.</p>	Chair of the Corporation
	<p>Changes to the Terms of Reference agreed included changing reference to the HR Strategy to People Strategy and to group all the HR related items together in Section 6 of the Terms of Reference. It was also noted that reference to the Rebuild and Refurbishment Programme in the table at Annex A should be changed to Estates Capital Projects.</p>	
	<p>It was noted that there was some duplication in relation to the performance report on the Cycle of Business, which is also reported to other committees and the Committee noted that this is to be addressed with SLT by re-allocating key performance measures to different committees.</p>	Interim DoG

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	<p>Resolved: Subject to the changes referred to above, to recommend the Committee's Terms of Reference and Cycle of Business for 2021/22 to the Corporation Board for approval.</p>	CEO
15	<p>Link Governor Update</p> <p>The Committee noted that all Link Governors had provided comprehensive reports on their activities in this academic year to the Search and Governance Committee and that these reports will be provided to the Corporation Board at its meeting on 7 July 2021.</p> <p>Except for the recent in-depth review of Estates, the North Lindsey Capital project and the need to identify a Link Governor for Health & Safety when the current Link Governor's term of office comes to an end at the end of July, there was no additional activity to report.</p>	
16	<p>Governance QIP and Emerging Risks</p> <p>The Committee considered its Governance QIP at the end of Term 2, noting that Action 3.10 (Scrutinise how the DN College Group approaches new funding opportunities (both revenue and capital bids) and the decision-making process around prioritisation requires action in Term 3.</p> <p>Governors noted additional activities for inclusion in the Term 3 position including the Estates In-Depth review and appointment of the Chief People Officer.</p> <p>The Committee reviewed its current risks and agreed that the risk in relation to High Melton could be removed now that the sale had been completed. The wording and controls assigned to the staff risk should also be changed to include reference to the need to align pay and conditions.</p>	<p>Interim DoG</p> <p>COO and CPO</p>
17	<p>Any Other Business</p> <p>Board and Committee report template</p> <p>Governors noted that a review of the report template used for Board and all its Committees was underway. Changes to be captured in a revised template include the need to identify the potential impact of decisions on staff and culture and a review of how the section on risks is populated.</p> <p>It was agreed that any further comments should be sent to the Interim Director of Governance for consideration at the first meeting of the Transformation task and finish / sub-committee (if established).</p> <p>Thanks</p> <p>The Chair noted that this will be the last meeting of the Committee for the Deputy Chief Executive, the Chief Operating Officer and the Interim Director of Governance and Paul Grinell (External Governor) and thanked them all for their continued support, level of detail provided in reports and valuable contributions to the work of the Committee.</p> <p>The Chair also noted that this was his last meeting as Chair of the Committee and wished the new Chair well for the future.</p>	<p>All</p>

