

FINANCE, EMPLOYMENT AND GENERAL PURPOSES COMMITTEE  
UNCONFIRMED MINUTES

**Date:** 24 March 2021  
**Venue:** Zoom (Online Meeting)

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**Present:** Stephan Hollingshead (Chair)  
Peter Brooks  
Angela Foulkes  
Beri Hare  
Seb Schmoller

**In attendance:** Martin Harrison, interim Executive Director Finance  
Andrew Hartley, Executive Director Commercial and Operations  
Alison Shillito, Governance Advisor and Clerk to the Governing Body.  
Paul Simpson, Executive Director People  
Anita Klich, Governance and Projects Officer

**Action**  
**by**            **by**  
**whom**       **when**

**21/2/1 Welcome, introduction and apologies**

- 1.1 The committee received apologies from Holly Anderson, Richard Calvert and Dick Moore. The meeting was quorate.

**21/2/2 Declaration of interest**

- 2.1 The committee noted the standing declarations of the Chief Executive and Principal (CEP) as a member of senior staff and as a director of the college's wholly owned subsidiary companies. The committee noted that the update on companies (minute 21/2/12 refers) and agreed that no action was required.

**21/2/3 Minutes of the meeting on 20 January 2021**

- 3.1 The committee approved as a true record, the minutes of the meeting held on 20 January 2021.

**21/2/4 Matters Arising & Action Record**

- 4.1 The committee considered matters arising and action tracker items and commented as follows.

**Minute 21/1/12 refers: Waivers of the financial regulations:**  
the committee noted that at the last meeting it had been agreed that the CEP or the Executive Director of Finance (EDF) should

consult with the Chair of FEGP prior to exercising delegated authority to approve waivers with a value of more than £170,000. This had not been followed for the waiver on the agenda and the EDF should ensure that this does not happen again.

**Minute 21/1/13: Integrated Financial Model for College's return 2020-21**: for accuracy, it was noted that the return was signed off by the CEP and circulated to the IFMC Governor Group on 2 February 2021, with apologies for the delay.

**Minute 20/1/5.4 refers: Lennartz**: members noted that the sector, financial advisers and government were continuing to work through the potential impact of the latest higher tier tribunal (HTT) judgment. The committee agreed:

- that the college should await the publication of further HMRC guidance on how it will interpret the judgment before deciding whether to seek any further professional advice;
- to continue to hold a provision on the balance sheet for further payments.

**ACTION**: committee to receive a short update summarising the issues arising from the HTT judgment, including what if any exposure there is for the college and the net financial position.

EDF 23.6.21

- 4.2 The committee received the action tracker, agreed that it included all matters arising from the last meeting and approved the removal of actions reported as completed, with the notes above.

## **21/2/5 Employee Engagement Survey results and actions**

- 5.1 Paul Simpson, Executive Director People (EDP) presented the results of the 2021 Employee Engagement Survey, highlighting:
- a higher proportion of staff participated in this survey compared to previous surveys, giving members some confidence in its findings;
  - average increase in "agreement" was 16 percentage points (pp) compared to the 2019 Survey (which itself had higher approval scores than the 2015 and 2017 surveys);
  - the questions showing greatest improvement in agreement scores were ones about communications and leadership;
  - the improvement in satisfaction was lower for SMS Ltd employees than for other college staff, although still higher than 2019;
  - analysis of the results by protected characteristics did not show any differences for most groups, except for sexual orientation. Responses from gay, bisexual and pan-sexual people tended to give lower engagement responses as did those from people who said "prefer not to say";
  - senior managers and managers were on average 10pp more engaged than average.
- 5.2 The Executive Leadership Team (ELT) is leading on cross-college actions in relation to work-life balance, career progression, communication, information technology and

resources. Faculty and team managers are looking at the anonymised results for their own team and what actions to take in relation to questions with lower satisfaction ratings. There will be an opportunity to benchmark some questions with York College, who are due to complete the survey in the summer term.

- 5.3 Members considered the report and the main issues discussed were as follows.

**Impact of COVID-19 on staff opinions:** the EDP said that some of the free text responses reflected COVID-19 concerns e.g. importance of digital equipment, staff well-being and work-life balance. The results showed that staff had appreciated senior managers' work to support, train, equip and engage with them during the pandemic. However, this could not have been so successful without the work done by senior staff in the previous two years to engage with staff and gain their trust. Work remains on making sure that communication and engagement within teams is consistent and effective. Overall, this is a strong platform from which to continue to build engagement.

**Teaching staff engagement:** a governor commented that the most pleasing change was that teaching staff satisfaction was in line with or above average. Prior to this survey, feedback from college teaching staff indicated they were less engaged than other staff groups. The improvement in the 2021 results shows that the actions and behaviours of the ELT, and the management team they have appointed, are having a positive impact on long standing issues in the culture. Governors said that they appreciated that change of this kind is hard to achieve and the amount of work that senior managers have done to achieve this impact.

- 5.4 The committee received the presentation, welcomed the assurance provided by the data and congratulated senior staff on the significant improvement in the staff survey results.

## **21/2/6 People KPI update**

- 6.1 The EDP presented the update, highlighting the continuing downward trend in short term staff absence and staff turnover. The report also included an update on grievances and other HR procedures to assure members that managers are maintaining business as usual during remote working.
- 6.2 Members considered the report and the main issue raised was if college managers had considered proposing a college policy on COVID-19 vaccination. The EDP said that the position agreed by ELT was to encourage staff to inform themselves about the vaccine. The risks of operating a college would not justify requiring staff to provide a vaccination passport or similar.
- 6.3 The committee received the report, welcomed the assurance and the streamlined format with KPIs and update in one report.

## 21/2/7 Alumni update

- 7.1 Andrew Hartley, Executive Director Commercial and Operations (EDCO) introduced the report on progress on the Alumni development project.
- 7.2 Governors considered the report and the main issues discussed were:
  - Language:** it was commented that the college should use the term “alumni” to refer to a group of former students and not an individual. To avoid misusing “alumni”, it could be used for the programme with individual members of the alumni being referred to as graduates, former or ex-students, or members for those in the scheme.
  - Scope:** membership of the alumni group should be reserved for former students and not include current students. This would make the communications distinctive. The college would still be able to use case studies and news items across its platforms, as appropriate.
  - Branding:** the EDCO said the next step was to pilot the branding to ensure the language, content and appearance are likely to be attractive to the target groups.
- 7.3 The committee noted the update and welcomed the assurance it provided that the college has restarted work on this development after it was rightly slowed down to give priority to COVID-19 communications.

## 21/2/8 Finance update

- 8.1 Martin Harrison, EDF, presented the report on performance against finance KPIs at Period 6 (to 28 February 2021) and the college’s financial position.
- 8.2 The committee considered the report and the main issues discussed were:
  - Bank loans maturing:** the EDF said that the college is still awaiting communication from the lender about options for the maturing loan.
  - Adult Education Budget (AEB):** the CEP reported that the college had continued to deliver its AEB grant allocation throughout national lockdowns and having regard for Department for Education (DfE) guidance to prioritise 16-18 year old learners. Adult education had been affected by the lockdowns and the P6 data indicated that the college would deliver about 70% of its allocation this year based on current arrangements. Information from the DfE indicated that colleges would need to pay back any under-delivery below 90% of allocation in 2021/22.Governors commented that the decision to set the tolerance at 90% seemed potentially unfair given that some devolved areas have already committed to paying the AEB grant in full. A 90% threshold would have a disproportionate impact on large colleges in regions that have suffered high numbers of COVID-19 cases.

The college had complied with DfE guidance on implementing social distancing and prioritising younger students over adult students and potentially would be financially penalised. Members expressed support for the college participating in the sector's efforts to bring this unfairness to the attention of local MPs and to campaign for the DfE to review its position.

**AEB next steps:** the CEP said that the college is already reviewing its re-opening arrangements to enable more students to study on campus after Easter, where it is safe to do so. There is also the option of slightly increasing subcontracting with a trusted provider. The college will continue to adhere to its guiding principles in re-opening to more learners, using all risk mitigations to manage this safely. The finance team is modelling the impacts of different scenarios on next year's budget.

**Apprenticeships:** the EDCO said that the current national lockdown is continuing to delay apprenticeship starts with some employers deferring starts to 2021/22. The college is in contact with employers and forecasting that it will meet its target but modelling the impact should that not be achieved.

8.3 The committee received the report and agreed

**ACTION:** provide an update to the next meeting on the college's position against its AEB grant allocation and the impact on the 2021/22 budget of potential clawback of funds next year.

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## 21/2/9 Waivers of the Financial Regulations

9.1 The EDF presented the report. The supplier selection reported in the paper had been accelerated and agreed so that work funded by the Further Education Capital Allocation (FECA) could be commissioned and completed by the deadline of 31 March 2021.

9.2 The committee noted the steps taken to ensure that the work is value for money and of appropriate quality even though it had not been possible to obtain at least three quotes in the timescale. The committee agreed, exceptionally, to confirm the waiver, reiterating the action at the last meeting that the chair should be consulted on proposals for waivers of over £170,000, prior to approval.

## 21/2/10 Contracts

10.1 The EDF introduced the report, which had been prepared to assure the committee that the college has effective forward planning in place for recurring maintenance contracts and procurement of specialist capital equipment.

10.2 The committee received the report and members were assured by the plan to select a supplier to equip the LEP project and a framework of preferred suppliers for recurring maintenance and security contracts.

10.3 The committee noted that the timescale for selecting the LEP equipment supplier would not fit with the committee schedule and agreed that it would be appropriate for the Chair of the

Governing Body, on the advice of the Chair of Finance, Employment and General Purposes (FEGP), to take action to approve the selection of a supplier on behalf of the Governing Body.

**21/2/11 Policy Review: Tuition Fees 2021-2022**

- 11.1 The EDF presented the review and changes to the policy, highlighting that the committee has previously approved a separate policy for HE tuition fees so these are no longer included in this policy. The other main change is to remove the offer of 10% discount for early payment of fees.
- 11.2 A member asked about the differential bandings for courses based on the number of course hours with some bands being much wider than others. The EDF said that the ESFA sets the bands and the rates for co-funding adult students. Most adults on a long course study alongside young people and it is unusual for adults to be fully self-funding study in the highest band of learning hours. From April, many more adult courses will be funded by the National Skills Fund under the Lifetime Skills Guarantee, removing the need for many adults to pay fees.
- 11.3 The committee received the report and approved the Tuition Fees and Charges Policy for 2021/22, as presented, subject to further updating once the ESFA publishes its guidance for 2021/22 on devolved adult funding and the AEB.

**21/2/12 Subsidiary Companies update from board meetings held on 3 February 2021**

- 12.1 The committee received the report on recent meetings noting the change of directors and welcoming the steps being taken to encourage staff to participate in COVID-19 testing.

**21/2/13 Health and Safety update**

- 13.1 The EDCO introduced the report noting that the new Head of Health and Safety, Amanda Gill, had started work since the last meeting. It was noted that since writing the report, the college had seen an increase in the number of students who had tested positive for COVID-19 and in the number of students having to self-isolate. The college has provided over 4,500 tests at its three testing centres as well as providing home test kits for staff.
- 13.2 **Mental health support:** a member asked if the college is tracking reports of issues with mental health. The EDP said that the college has no evidence of staff absence increasing due to stress or COVID-19 anxiety. Staff have been positive about the return to face-to-face teaching. Student welfare is closely tracked via individual welfare calls to students who are known to be vulnerable. Staff also call students who have missed a class. Regular welfare calls and time with tutor mentors give students an opportunity to raise any concerns. The UNIHeads student champions are providing group sessions for students and

encouraging use of self-help materials promoting positive mental health.

- 13.3 The committee received the report and welcomed the assurance.

#### **21/2/14 Capital Projects update**

- 14.1 The EDCO presented the update on ongoing works funded by LEP grant, FECA grant and college capital monies. The report also included proposals for the college to expand its space for adult learners. The discussion is recorded in a separate confidential minute due to commercial sensitivity.
- 14.4 The committee received the report, noted the developments and agreed that the college should enter formal negotiations to secure additional space for adult learners, as discussed.

#### **21/2/15 Review of meeting and closing remarks**

- 15.1 Members welcomed the discussion on the issues around the AEB grant and future capital projects. Members also welcomed the shorter agenda and that some reports had been streamlined by combining different aspects of a topic into a single short report.
- 15.2 The chair noted it was Seb Schmoller's final meeting of FEGP and thanked him for his service to the committee and the college.

#### **21/2/16 Date and time of next meetings**

23 June 2021 at 08.30 – 10.30