



**FINANCE, EMPLOYMENT AND GENERAL PURPOSES COMMITTEE
CONFIRMED MINUTES**

Date: 21 September 2022
Venue: New Boardroom City Campus
Present: Peter Brooks (Chair)
Angela Foulkes, Chief Executive and Principal (CEP) and Governor
Beri Hare, Chair of Teaching, Learning, Quality and Student Experience Committee, via videoconference
David MacDougall, Governor
John Mothersole, Chair of Governors
In attendance: Martin Harrison, 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
Beth Smith, Executive Assistant, note taker
James Smythe, Vice Principal Student Experience for item 6 only

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Action
by whom **by when**

22/4/1 Welcome, introduction and apologies

- 1.1 The committee received apologies from Stephan Hollingshead (Chair) and therefore Peter Brooks, FEGP Vice Chair, chaired the meeting. Apologies were also received from Holly Anderson and Paul Senior. The meeting was quorate.
- 1.2 The Chair welcomed to their first meeting of FEGP Committee David MacDougall, Governor, and Beth Smith, Executive Assistant Governance.

22/4/2 Declaration of interest

- 2.1 The committee noted the standing interest of Angela Foulkes, CEP and Accounting Officer in relation to financial reports and policies. The committee agreed that no action was required for any items on the agenda.

22/4/3 Minutes of the last meeting

- 3.1 The committee confirmed the accuracy of the minutes of the meeting held on 22 June 2022.

22/4/4 **Matters Arising & Action Record**

- 4.1 The committee considered the Action Record and noted progress on ongoing actions not otherwise included on the agenda as follows.
- 4.2 Minute 22/1/9.2i refers: Tuition Fee Policy 2021-22, it was noted that the college was still awaiting confirmation of the fee levels for adult courses, to be set in line with the rates in the South Yorkshire Mayoral Combined Authority (SYMCA) devolved Adult Education Budget (AEB) contract. The college was enrolling students on the basis of the fee levels published in 2021-22 and would honour those fees should there be changes in the AEB contract. Once the Adult Funding Guidance had been confirmed by SYMCA, the policy would be reviewed and, if necessary, re-published with any amendments.
- 4.3 Minute 22/3/10.4ii refers: Health and Safety Training for FEGP members, the Clerk reported that the Head of Health and Safety would be providing a briefing for members on the role of governors for Health and Safety. The Link Governor for Health and Safety had requested to undertake more detailed training and the Clerk was arranging access to the Institution of Occupational Safety and Health (IOSH) Managing Safely course.
- 4.4 The committee received the Action Record, agreed that it covered the matters arising from the last meeting and approved removal of the completed actions.

22/4/5 **People update**

- 5.1 Paul Simpson Executive Director People (EDP) presented an update including the annual report on the implementations and impact of the People Strategy in 2021-22, an in-year update on the People Key Performance Indicators (KPI), and next steps and priorities for 2022-23.
- 5.2 The committee considered the issues and the main points of discussion were as follows.

Engagement survey follow-up members asked what steps had been taken in response to the results. The EDP said that data analysis had not found one specific matter that explained the difference between manager and staff agreement. A key area of focus to support closing the gap was enhancing individual and team communication. The college is continuing to invest in training to enable team leaders to conduct effective one-to-one meetings and team communication. In addition, to obtain insight into how the college could address the lower than average satisfaction ratings for staff with disabilities, a focus group was being arranged to generate ideas for actions to increase satisfaction. There would be further short pulse surveys to assess the impact of these actions, and the results would be reported to the committee.

Staff recruitment challenges, the EDP said that the college was promoting staff vacancies through social media and other routes to attract well qualified candidates. In most cases, this was proving successful. For hard to recruit roles, market research is being undertaken to benchmark salaries and ensure that the college's offer was as competitive as it could be.

People KPI and benchmarking, members noted that the absence rate was above target. Members asked how college KPI data compared to other colleges. The EDP said that college benchmark data was not available for all KPI. Turnover remained below the most recent benchmark data for the FE sector (compiled by Association of Colleges). The absence rate was above AoC benchmark data for 2019-20. TSC absence related mainly to long term absence and absent staff often had other employment issues. The review and development of the Resolution Framework aimed to make grievance and disciplinary processes more efficient. One of the benefits is hoped to be a reduction in long term absence linked to employment processes.

Reward, members asked about progress on the pay award for 2021-22 and the risk of disruption due to industrial action. The CEP said that the pay award approved by the committee as part of the budget had been paid to all staff back dated to February 2022. UCU had balloted members on strike action but the ballot had not achieved the participation rate required for industrial action. The committee appreciated that staff were concerned about inflation but this was good news for students.

- 5.3 The committee received the report and members were assured that the college is implementing the People policies effectively.

ACTION

Report the results of pulse surveys to the committee for monitoring, to include in the March 2023 People update

EDP 15/3/23

James Smythe joined the meeting at 08.50

22/4/6

Learner recruitment update

- 6.1 James Smythe (Vice Principal Student Experience) presented a confidential update on the recruitment process and progress against targets.
- 6.2 Recruitment for ESFA funded students aged 16-24 and Adult Education Budget funded programmes was on target. Recruitment of students drawing down loan funding for access and higher education courses was below target. Prospective students who had decided not to enrol gave various reasons for their decision but being unable to afford to reduce work hours or give-up work to return to education was being frequently cited as the reason for not enrolling.

6.3 The committee asked about the plans to address the lower income due to under recruitment. The CEP said that this would be considered with the affected business units at Period 3 business review meetings. The sensitivity analysis in the 2022-23 budget had included this scenario and mitigating actions and therefore there was a plan for reducing expenditure in the event of under-recruitment.

6.4 Governors also discussed the following

Sixth form recruitment had gone well and members asked how the college had ensured it was maintaining appropriate entry standards. The CEP said that candidates were being recruited responsibly and this year entry was on the basis of national GCSE examinations. The college had a new Assistant Principal for the Sixth Form and their focus was on continuing to enhance teaching standards for every student and ensuring students had a great experience so they could achieve the best results in final assessment at the end of the two-year programme.

Value for money marketing, a member asked how the college ensured that expenditure on marketing and open days was good value for money. The VP SE said that the college commissioned market research with new students and applicants who did not enrol to assess what types of engagement were most likely to convert applicants into students. Feedback indicated that a good experience in visiting the college or enjoying a taster session made a difference, as did a smooth experience of enrolment. The Learner Recruitment Team monitored general open day attendance in the Autumn Term and, last year arranged subject specific open days in the Spring Term to generate applications in target subjects.

6.5 The committee received the report and endorsed the actions senior managers are taking to address areas where recruitment is below target.

ACTION

Executive Leadership Team to consider the effectiveness of subject specific open days in converting applications to enrolments. EDCO 13/10/22

James Smythe left the meeting at 09.15

22/4/7

Commercial and Business Development update

7.1 Andrew Hartley, Executive Director Commercial and Operations (EDCO) presented a report on the performance of commercial activities in 2021-22 and the outlook for 2022-23. The Annual Report on 2021-22 spanned across apprenticeship activity, employer focused training and commercial development. It also reported on the organisation changes that brought together partnerships, apprentice recruitment and employer engagement

to maximise the benefits the college could accrue from the opportunities in the FE Skills Bill.

- 7.2 Governors considered the report and the main points discussed were as follows.

Apprenticeships, it was noted that apprenticeships had seen continuing impact of Covid in 2021-22. Recovery had been slower than anticipated for new starts. Economic uncertainty continued to cause employers to hold back on their apprenticeship recruitment plans. Members asked what the college was doing to help attract a strong candidate pool for vacancies. The EDCO said that the college was promoting apprenticeship vacancies extensively with good support being provided to candidates. However, the candidate pool was small and there was competition from employers recruiting to jobs with higher pay rates than apprentice pay. College staff worked with employers to make sure the benefits of an apprenticeship were being promoted and to make roles more attractive where possible.

It was also commented that the launch of other competing initiatives had cluttered the landscape for apprenticeships. For many employers, the levy process seemed overly bureaucratic and not the right route for meeting their immediate skills needs. The college was doing excellent work to engage employers through apprenticeships, Employer Skills Academies, corporate training offer and work placements. However, there was a need for national policy reform to relaunch apprenticeships and make them more attractive to employers. The EDCO said that this was a theme that the college was pursuing through its networks at regional and national level.

Employer Skills Academies, members welcomed the launch of new academies in 2022-23 and asked why two academies had discontinued. CEP said that turnover in academies was helpful as it allowed the employer engagement team to develop new academies in the strategic skills priorities such as the new plumbing employer skills academy. A limit to the number of academies had been agreed to focus on priorities, to ensure growth was managed and academies were supported effectively within the resource available. The college was rescheduling the launch event for the new Employer Skills Academies, which had been due to take place on 19 September.

Work placements, members congratulated the team on achieving a national DWP award for its work on the Kickstart initiative. It was also noted that the team had exceeded its target for the number of work placement hours arranged. This augured well for the launch of T Levels in 2023 and demonstrated the college's commitment to providing students with work experience and employability skills.

- 7.3 The committee received the report for assurance and supported the work of the CEP and executive directors to highlight the

challenges for apprenticeships nationally and regionally. As a leading provider of apprenticeships in the region and an anchor institution, the college was providing leadership and potential solutions for the SYMCA skills strategy.

ACTIONS

Review the impact of Employer Skills Academies on student engagement and achievement and include this in the annual report on outcomes to Teaching, Learning, Quality and Student Experience Committee (TLQSE).

DCE/ 7/12/22
DP

22/4/8

Finance update (Period 12) 2021-22

- 8.1 Martin Harrison, Executive Director Finance (EDF) presented the report covering the Year End Outturn 2021-22, performance so far in 2022-23, an update to one of the college's loan agreements and a review of key finance policies. It was noted that the college had not met income targets for 2021-22 and outturn was below the P9 forecast. However, the college had maintained its strong cash position, its financial health score was "good" and loan covenant measures had been achieved so financial risks were assessed as stable. It was reported that the Finance Team continued to carry vacancies that were slowing down process improvements.
- 8.2 Members considered the report and the main issues discussed were.

The difference between P9 forecast and P12 outturn, members would normally expect the forecast at P9 to close to the outturn. The EDF said that there had been clawback of some unspent Covid support funding by the Office for Students and a couple of areas had been over-optimistic about their income in May-July. As a result, the Finance Team had tightened up budget monitoring and were focusing on the areas where forecasting had been least accurate.

Pension scheme valuation, this was a risk for the college that was difficult to mitigate. The EDF said that the annual review of the college's liabilities suggested a large actuarial gain this year. Members challenged this as the higher rate of inflation would increase the annual uplift to pensions and the pension costs of the scheme.. The EDF said interest rate rises were projected to have a positive impact on the growth of fund investments. The EDF was scrutinising the valuation review carefully and would be discussing with the financial statements' auditor how best to represent the projected gain in the final accounts.

Team development, members were concerned about the impact of continued vacancies particularly in the finance analyst role. The EDF said that it was slowing the pace of some process improvements however the team had completed further training during the summer which had enabled them to implement process improvements. Vacancy savings were going to be used, initially, to buy-in support to build a data warehouse, as a basis for improving

Finance reporting. With the data warehouse in place, the Finance Analyst role would be recruited to improve processes and develop more automated processing.

- 8.3 The committee received the report and members were reassured that the college's cash position and solvency were secure going into 2022-23.

22/4/9 Letter of variation to loan facility

- 9.1 Under the general delegation from Governing Body to FEGP permitting FEGP to approve or amend the terms for college borrowing, the committee considered the determined the following matter.
- 9.2 There was produced to the meeting a letter of variation (the Letter of Variation) from Barclays Bank UK PLC (the Bank) to the college (the Borrower) setting out the amendments to a facility agreement dated 18 February 2008 pursuant to which the Bank has offered the Borrower, the Facility (as defined in the facility agreement).

IT WAS RESOLVED

1. That the amendments set out in the Letter of Variation are in the interests of and for the benefit of the Borrower and are most likely to promote the success of the Borrower for the benefit of the members as a whole and that such terms and conditions of the Letter of Variation be and are approved and accepted.
2. That John Mothersole, Chair of Governors and Angela Foulkes, Chief Executive and Principal, are authorised to sign the Letter of Variation on behalf of the Borrower to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the Borrower, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time.

22/4/10 Higher Education Tuition Fee Policy review

- 10.1 The main change to the policy was to align the appeals mechanism with that of the FE fees and charges policy. The fee level would remain at £7,500 as agreed in the Access and Participation Plan. As there were no implications for the educational character of the college, the committee approved the updated policy to continue in 2023-24 with factual updates to reflect the new period.

ACTION return fees information to the Office for Students and publish the policy on the eternal website

VP HE 30.9.22

22/4/11 Treasury Management policy review and annual report

- 11.1 The EDF presented the annual review of the Treasury Management Policy. It was noted that the college was holding more funds with Barclays Bank than budgeted for in 2021-22 and this was due to a VAT refund from HMRC being deposited. The main change to the policy was to adopt 'Fitch A Rated' as the definition of a secure bank which simplified the definitions in the policy.
- 11.2 The committee received the review and approved the policy. It was also agreed that in future annual review of the policy would be delegated to the Executive Leadership Team with reporting to the committee being on a biennial basis.

ACTION update the review/refresh information on the college Policy Register for the Treasury Management

GAC 30/9/22

22/4/12 Financial Regulations and Scheme of Delegation

- 12.1 The EDF introduced the minor changes to the policy, as described in the version history at the beginning of the policy. The committee considered the updates and approved the updated Financial Regulations on behalf of the Governing Body.

22/4/13 Reserves Policy

- 13.1 The EDF presented the Reserves Policy, which had been extensively redrafted after consultation with the External Auditor. The committee welcomed the clear links in policy between the calculation of reserve levels and the risks that were intended to be mitigated by those reserves. The committee approved the policy under specific delegation from Governing Body agreed in July 2022.

22/4/14 Health and Safety annual report and update

- 14.1 The EDCO presented the Health and Safety update including an annual report on 2021-22 and a look ahead to 2022-23. The report included that
- **Accidents**, the number had increased compared to 2020-21 but was proportionate to campus occupancy and lower than 2018/19,
 - **Fire Risk Assessment**, managers had already completed 52% of the actions identified in the recent exercise including the actions at college nurseries. The termly update would include a report on completion of lower priority actions during the year.
 - **Review of Health and Safety systems**, the Head of Health and Safety was undertaking a formal review of the effectiveness of the college's Health and Safety systems. The findings would be presented to the Health and Safety Committee and improvement actions would be reported to FEGP.

- 14.2 The Committee received the report. Members commented that the Health and Safety Manager was bringing rigour to the role and welcomed that actions were being raised and completed promptly.

22/4/15 Any other business: Guarding and Security Contract 2022

- 15.1 The Clerk reported that the college had completed a competitive tender exercise for guarding and security services. The college had used a purchase consortium framework for the exercise managed by an external consultant. The process had been fully compliant with college and national procurement regulations. The committee was asked to approve the appointment of Profile Security Services Ltd, which had submitted the lowest priced fully compliant tender bid.
- 15.2 The Committee approved the appointment of Profile Security Services Ltd for a three year period on the terms set out for the Yorkshire and Humber CPC Framework Agreement. The committee recommended that the Chair of Governing Body sign the contract on behalf of the college.

22/4/16 Review of meeting and closing remarks

- 16.1 As recommended in the external review of governance, members considered the impact of the meeting on students and commented that there had been a strong focus on value for money in the meeting. it was good to see large contracts being re-tendered to ensure the college was obtaining value for money from suppliers. Making savings on non-pay costs where possible would have a positive impact on the amounts available to spend directly on education.
- 16.2 The CEP commented that report authors had implemented a change recommended by ARAC, to enhance the risk section of reports and comment on the impact of the paper on the movement of risks – was the risk increasing, decreasing or stable. It was intended to give sharper focus on risk and bring the risk register to life for governors and authors.

ACTION for future meetings, draw attention to the enhanced risk commentary as it would direct focus to the strategic risks.

Clerk 30/9/22

22/4/17 Date and time of next meeting

23 November 2022, 0830 -10.00 in the Boardroom City Campus (Joint meeting with Audit and Risk Assurance Committee from 09.30) followed by Governor Health and Safety Briefing

15 March 2023, 08.30 – 10.30 in the New Boardroom, City Campus

28 June 2023, 08.30 – 10.30 in the New Boardroom, City Campus