



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

Date: 28 June 2023

Venue: New Boardroom City Campus

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Present: Stephan Hollingshead (Chair)
Holly Anderson, staff governor
Peter Brooks, governor
Angela Foulkes, Chief Executive and Principal and governor
David MacDougall, governor (from 08.45)

In attendance: Matt Ainsworth, member of Estates Working Group for first item (08.30 - 09.05)
Gill Alton, member of Estates Working Group for first item (08.30 - 09.05)
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)

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

23/2/1 Welcome, introduction and apologies

- 1.1 The Chair welcomed members to the meeting. Apologies were received from John Mothersole. The meeting was quorate.
- 1.2 The Chair also welcomed Matt Ainsworth and Gill Alton, members of the Estates Strategy Working Group, to contribute to the discussion of the Estates Strategic Developments. The chair agreed to adjust the agenda order to take that item first.

23/2/2 Declaration of interest

- 2.1 The committee noted the standing interests. As a director of Sparks Solutions Limited, the Chief Executive & Principal did not participate in the decision to write-off the company's debts to the college. There was no other action required on any business for the meeting.

23/2/3 Commercial & Business Development update: Estates Strategy update

- 3.1 The Deputy Chief Executive/Executive Director Commercial and Operations (DCE) introduced a confidential report which included progress on planning for new and upgraded facilities and other developments to implement the approved Estates Strategy. Some of the discussion is recorded in a separate confidential minute for reasons of commercial sensitivity.

3.3 Olive Grove Advanced Technology Centre

The college proposed to combine its own capital budget with external grants to allocate £5m of capital investment at Olive Grove to extend teaching facilities in time for September 2024. The committee welcomed the proposal, and that the college was proposing to employ a professional project planning manager to deliver the project.

3.4 Environmental sustainability

The committee received the college's first Streamlined Energy Carbon Report (SECR) that showed a reduction in CO2 emissions of 14.3 tonnes (6.5pp) from 2021/22 to 2022/23. The new Director of Estates & Environmental Sustainability and Environmental Sustainability Manager were working together to develop a comprehensive action plan to deliver the college's environmental sustainability strategy.

3.5 The Committee and the Estates Strategy Working Group received the report and members were assured that the college was implementing its estates' strategy appropriately and reported assurance on the college's first Streamlined Energy Carbon Report.

ACTIONS: i) prepare a report for GB (Governing Body) in July to summarise the outcomes of the consultation on provision at Peaks and the next steps to determine future provision.

DCE 12/7/23

ii) At the September Strategy Event, present the proposed milestones and financing of the plan.

DCE 13/9/23

23/2/4 Minutes of the last meeting

4.1 The committee confirmed the accuracy of the open and confidential minutes of the meeting on 15 March 2023.

23/2/5 Matters Arising & Action Record

5.1 The committee considered progress on ongoing actions not otherwise included on the agenda as follows.

Minute 23/1/9.1(b): ONS Reclassification: it was noted that since the last meeting, the Department for Education (DfE) had published further changes to the [Bite sized guides for FE Colleges](#) providing guidance on how colleges should implement the requirements of Managing Public Money. The Chief Executive & Principal said that the impact of these and other changes would be covered in more detail at the governor strategy event in September.

Minute 23/1/9.1(d): Management accounts: the chair reported that he had met the Executive Director Finance to review the latest management accounts and it was agreed that this action could now be closed.

5.2 The committee received the Action Record, agreed that it included the matters arising from the last meeting and approved removal of the completed actions.

23/2/6 People Report: Term 3 2022-23

- 6.1 The Executive Director of People (EDP) introduced the report, an in-year update for the third quarter of 2022-23 on the implementation of the People policies and performance against the Key Performance Indicators (KPI).
- 6.2 The committee received the report and commented as follows.

Attraction, members asked about the timescales for filling vacancies and whether fill rate should be monitored in 2022-23 given the increasing risk about recruiting to certain specialist roles. The EDP said that the normal recruitment timescale was six weeks, and most roles were filled at the first attempt. Timescales lengthened where vacancies needed to be readvertised. Currently it would be difficult to bring together the different information to give the committee a “fill rate” KPI but there might be scope to report on what percentage of vacancies were not filled at first advert.

Team meetings: the committee asked about progress on staff dissatisfaction with access to team meetings and their manager. The EDP said that the college invested in providing curriculum teams with reserved time on Wednesday afternoons for CPD and team meetings. It was proving difficult to develop a common template about how best to use the time as some areas were highly satisfied with their local arrangements. The EDP and VP TES were trying to identify common themes that areas with higher satisfaction could share with areas with low satisfaction.

Staff voice: to obtain more frequent input from staff on issues such as communication and development, the People Team had established a standing Staff Forum, which would be used to consider the findings and improvement actions arising from the pulse surveys and the 2023 Employee Engagement Survey.

Absence rate: the committee welcomed that KPI performance showed a reduction in the number of cases of long-term absence cases and the overall sickness absence rate. This was a positive indicator of the health and attitude of employees.

The committee noted the assurance provided and particularly the evidence of the positive impact of recent policy changes on absence management and increased support for returning to work to reduce long term absence.

23/2/7 Employee Engagement Survey

- 7.1 The EDP presented the headline results from the Employee Engagement Survey that the college had run in March 2023. The EDP highlighted the following.

the overall scores are relatively similar to the 2022 survey but there were variations for different groups, for example the agreement rate for teaching staff had decreased by -7 percentage points (pp)

the alignment between personal and college values and behaviours had improved and this reflected the college's investment in developing new, clearer policies and whole college staff development

agreement scores were lower than last year for “I am proud to work at TSC” (-6pp) and “I have adequate resources” (-7pp) and satisfaction with regular team meetings (-5pp)

the score for “communication is effective” had remained the same, despite a lot of effort to improve the impact of communications.

- 7.2 The committee considered the results and the main points from the discussion were as follows.

Communication, this is a common complaint in a lot of large organisations. There is a lot of information available through different channels and there is a responsibility on individuals to engage. The staff forum was a good way of engaging more staff in dialogue. A member recommended reintroducing an online “suggestions box” as a way of prompting staff into solutions focused thinking. The EDP said the College Leadership Group had recently shared ideas on how managers could ensure consistent two-way flow of communication, and this would continue to be an important theme for manager development.

Action planning, departmental results had been shared with managers to develop local action plans that would be reported and monitored at quarterly business planning meetings. College-wide actions were being developed with CLT (College Leadership Team) and the new staff forum.

Reward, the survey had run during a period of industrial unrest. There was a perception that the college had benefited from several successful grant applications, but were ring fenced to capital developments. Some “assets” such as pension fund values, were a balance sheet estimate and could not be used at all by the college. The committee recommended that the college develop a clear and simple statement explaining where the additional money came from and where it was going. This would also be helpful for governors. The EDP said that this information had been provided to staff during pay negotiations. Since then, the college had been successful in securing additional grants for T Levels and Estates improvements. It was suggested that the improvements arising from the capital grants could also be a motivator for staff to work and thrive at the college.

- 7.3 The committee received the presentation and commented that they looked forward to hearing about the actions being taken at department and college levels to address the issues raised. FEGP 20/9/23

23/2/8 Subcontracting Annual Report and Policy Review

- 8.1 The Deputy Chief Executive/Executive Director Commercial and Operations presented the annual report on college subcontracting. The committee received the report and the main points discussed were as follows.
- It was beneficial for regional provision and students for the college to continue to subcontract specialist provision to the football clubs and for adult training
 - The external assurance review had been completed and would be reported to ARAC. The review had been submitted to DfE. The college awaited the department’s response.

- The external review had raised no substantial recommendations for changes to the college's policies and there were no issues identified in the internal annual policy review. Therefore, the policy was recommended to continue unchanged in 2023-24.

8.2 The committee received the report and reported assurance that the college's subcontracting arrangements continued to be appropriate. The committee noted that no changes were proposed to the Subcontracting Policy and confirmed that the policy remained appropriate for 2023/24.

23/2/9 Finance Report

9.1 The EDF presented the report on the college's financial position at the end of the third quarter and the main points discussed were as follows.

Impact of ONS reclassification on maturing loan, the college had made an application to the Department for Education (DfE) for public funding to replace the loan. An initial meeting with DfE officers indicated that it approved, the college would be expected to accelerate repayment of the remaining principal. A short-term loan was not attractive to the college and the EDF recommended that it would be preferable to repay the maturing loan in 2022-23 rather than in 2023-24 to the secure college's position against its loan covenants. The committee agreed to recommend approval to Governing Body for repayment of the maturing loan in July 2023.

Lennartz case, the EDF reported that he had sought further advice from the VAT Advisor. Subject to advice, the committee agreed that management should assess the legal risks and probability of recovery to determine when to recognise the amount paid under protective assessment and whether to pursue recovery of the outstanding claim.

Management accounts at period 9 had resulted in changes to the forecast outturn with some adjustments to 16-18 income and lower income for adult learner loans and apprenticeship fees. There had been an increase in "other" income due to the successful Turing Scheme international programme which had been awarded after the 2022-23 budget had been set. For pay costs, the college had exceeded the target for vacancy savings although some of this had been offset by increased cover costs. The overall result was a small improvement of £600K to the forecast outturn and the health grade would move into the "Outstanding" range instead of good.

Modern Slavery update, the EDF reported that Internal Audit had recommended that the committee receive more frequent updates on the actions being taken to ensure that the college's supply chains were free from slavery.

ACTION: Members were invited to give feedback on the frequency and what they would like to see covered in the updates.

9.2 The committee received the report the committee received the report and commented as follows.

- **Variations:** there had been some large variances in particular lines of the budget. Fortunately cost control had offset some of the larger negative variances but the committee would want to see a smoother profile with more accurate forecasting next year.

- **Apprenticeship income:** this had not recovered post pandemic, and members asked what else the college was doing to stimulate demand, was the sales team proactively contacting businesses with the college's sales pitch. The DCE said that the Employer Engagement team were incentivised to attract develop apprenticeship business. The South Yorkshire Mayoral Combined Authority had recently approved a transfer system allowing levy payers to pass their levy to SMEs and the college was actively involved in promoting use of this facility.
- **Debt provision and write-offs:** the committee welcomed the reduction in the amount of provision for debtors and write-offs compared to previous years' following implementation of improved credit control.
- **Capital grants and projects:** the college's success in bids for capital funding had resulted in a complex picture of different funding streams and timescales for completing projects. The committee was keen to assure that the college complied with the rules of each grant with matched funding where appropriate. The committee asked the EDF to use the information in the paper to prepare a simple table for governors to update them on the different projects in relation to the funding schemes and to help the committee monitor progress.

9.3 Sparks Solutions Limited

With the planned transfer of remaining company staff into the college, the EDF proposed that the company accounts for 2022/23 be prepared on the basis that the company would be dormant from 1 August 2023. To do this, the college needed to write-off the inter-company debts. The finance department had traced the invoices that made up the debt and these were within the EDF's authority to write-off.

9.4 Tuition Fees Policy 2023-24

The EDF presented an update to the Tuition Fee Policy, proposing changes to the deposit scheme and full-cost fees for overseas students.

9.5 The committee received the report and:

- noted the financial position,
- endorsed proposals to write-off the historic inter-company of Sparks Solutions Limited update, and
- reported assurance that the college was making suitable provision for capital investment
- recommended approval to Governing Body of Tuition Fee Policy 2023-24 (revised).

ACTIONS:

- | | | | |
|-----|---|-----|---------|
| i) | members to give feedback on frequency of updates on actions to implement the Modern Slavery Policy | EDF | 20/9/23 |
| ii) | prepare a simple summary of the capital projects in relation to grants received and timelines for completion, funding match where appropriate | DCE | 20/9/23 |

23/2/10 Draft College Budget and College Financial Forecast Return 2023-24

- 10.1 The EDF presented the draft budget. In preparing the draft, the Executive Leadership Team had forecast steady state numbers for income purposes and a more rigorous approach to expenditure. With rises in the cost of living, it was inevitable that the college would face pressure to increase pay. There was the flexibility to hold back approving refilling or recruiting to some posts pending confirmation of the recruitment position. Some of the discussion of the draft budget is recorded in a confidential minute.
- 10.3 The committee received the report and agreed to recommend approval to Governing Body of the proposed 2023-24 college budget and draft College Financial Forecasting Return.

23/2/11 Health & Safety report

- 11.1 The EDCO (Executive Director of Commercial & Operations) introduced the Health and Safety update including an update on the recent follow-up review of actions on Fire Risk Assessment.
- 11.2 The committee noted that there remained actions outstanding from previous Fire Risk Assessments. The DCE said that the priority action was to improve fire stopping around the gas assessment area at Olive Grove. Building works were for July/August when the college was quieter. The other actions outstanding from previous FRAs were behavioural such as propping open fire doors and storing combustible materials in inappropriate places. The Health and Safety team were addressing these behavioural issues with managers and through audits. The 2023 FRA had resulted in a 60% reduction in the number of actions and the fire safety risk had been assessed as “moderate”. Health and Safety and Estates staff were doing walk arounds and security and cleaning staff had been briefed to complete checks in their areas and report any issues found.
- 11.3 The committee received the report, welcomed the assurance that the college was providing a safe working environment for staff and students.

23/2/12 FEGP Committee Self-Assessment 2022-23

- 12.1 The committee received the draft self-assessment report, considered its opinions on the committee’s effectiveness in 2022-23. The main points of the discussion were as follows.

Membership: the committee collectively had the necessary skills and experience across its membership to meet its responsibilities. This year it had been notable that a student governor had not been able to attend the meetings. Members appreciated the difficulties of a single year appointment, particularly where a student governor was trying to combine the duties with full time study. However, the committee stressed the value of a student governor, particularly for discussions about investment and the estate.

Terms of reference: the committee opined that it fulfilled its terms of reference. It was agreed that the committee should be monitoring reports for novel, contentious and repercussive transactions that were reportable. Members asked that the changes to the terms of reference be amended to

clarify that they could only monitor within the limits of their delegation and materiality. It was also agreed that the committee should seek authority to approve policies within its remit to reduce duplication of business.

Reporting: information was timely and generally reports were clear with a good level of detail. It would be even better if updates to policies were consistently marked up to highlight changes in the documents as well as in the change control section.

Governance structure: it would help members to understand how the Estates Strategy Working Group informed the committee and GB. The GAC said that the working group was an advisory body. As such, it was intended to meet more frequently than GB meetings to act as a critical friend to Executive Leaders and give feedback on proposals that would require urgent decisions. FEGP would continue to approve matters within its delegated authority or recommend approval to GB for significant developments.

23/2/13 Review of meeting

Members commented that there remained a lot of questions about the impact of reclassification on the longer-term finances of the college and the responsibilities of governors. It would be useful to understand the issues, threats, and opportunities on which the sector was campaigning.

23/2/14 Date and time of next meetings

20 September 2023 at 0830-10.30 in the New Boardroom City Campus

22 November 2023, 08.30 – 10.30 in the New Boardroom, City Campus

13 March 2024, 08.30 – 10.30 in the New Boardroom, City Campus

26 June 2024, 08.30 – 10.30 in the New Boardroom, City Campus