

FAREHAM COLLEGE
FINANCE AND RESOURCES COMMITTEE
20 November 2019

MINUTES

Present: Mr M Hoban
Mr A Kaye
Mr R Kew (Chair)
Ms K Shreves
Mr A Wannell
Ms K Woods

In attendance: Mrs G Flood (Clerk)
Mrs M Shepherd (Interim Finance Director)

29/19 Item 1: Declarations of Interest

Members of the Committee were reminded of the need to declare any personal or financial interest in any item of business to be considered during the meeting. No interests were declared.

30/19 Item 2: Apologies for Absence and welcome to new members

Apologies for absence were received from Mike Mansergh and Mrs A Hinton (Assistant Principal People and Organisational Development)

31/19 Item 3: Minutes of the Meeting held on the 18 June 2019

The minutes of the meeting held on the 18 June 2019 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

32/19 Item 4: Confidential Minutes of the meeting held on the 18 June 2019

The confidential minutes of the meeting held on the 18 June 2019 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising which were not covered elsewhere on the agenda.

33/19 Item 5: Correspondence: Letter from the EFSA dated 23 October 2019

The Committee were informed of a letter received from the EFSA confirming receipt of the College's Financial Plan for 2019 to 2021 and confirmation of the College's financial health score as Outstanding for 2018/19 (the latest outturn forecast year), and Outstanding for 2019/20 (the current budget year). Members went on to review the EFSA supplied financial dashboard which incorporates various key performance indicators and measures those against both target benchmarks and benchmarks achieved in the sector.

The Principal noted the College's excellent performance in comparison to our peers locally. Members discussed the availability of other College's end of year results before the next Corporation meeting on

11 December. The Interim Finance Director noted that the requirement to file was 31 December with requirements to publish publicly by 30 January 2020 and as such this was unlikely.

Members of the Committee noted the report.

34/19 Item 6i: Annual Health and Safety Report to the Corporation 2017/2018

Members of the Committee received a paper on the Annual Health and Safety Report 2018/2019 as well as a copy of the current Health and Safety Action Plan. The Principal spoke to the paper and advised members that the report provided a health and safety overview for 2018/2019 and outlined the developments and improvements which had been secured during the year. The Committee commended the work completed to date and the Chair suggested the use of an ongoing checklist/walk-about routes to ensure that all H&S risks are continued to be evaluated on an ongoing basis.

ACTION: H&S Officer to take responsibility for developing an ongoing checklist that will ensure constant review of H&S adherence

Members of the Committee reviewed and noted the contents of the Annual Health and Safety Report 2018/2019 and agreed to recommend it for formal approval by the full Corporation at its meeting on 11 December 2019.

35/19 Item 6ii: Annual Review of College's Health and Safety Policy

The Committee were asked to review the Health and Safety policy. Members were informed changes were largely due to minor changes in updated legislation, best practice and aspects relating to the implementation of the current H&S Action Plan. The Chair suggested that the opening statement of the policy should be expanded to include a note about a 'no blame' culture and how good health and safety should be modelled throughout the business. **ACTION: Move statement about culture and behaviours (p37) to the front-page statement.**

A member asked the Principal to explain what evidence there would be of this policy in practice onsite at CEMAST and CETC. The Principal confirmed that there was generally more awareness including increased signage, more noticeboards and readily available equipment. It was noted that technicians have been subject to additional training and are now much more willing to challenge the PPE requirements of staff and students. The Committee agreed that successful culture change relied on the 'drip drip' effect of constant exposure.

Members of the Committee reviewed the Health and Safety Policy and agreed to recommend it for formal approval by the full Corporation at its meeting on 11 December 2019.

36/19 Item 7: Risk Management

Members of the Committee received a paper on risk management. The Principal spoke to the paper and outlined the top most current and assessed risks facing the College which were the responsibility of the Committee to monitor and review.

During the presentation members were advised that:

- Risk Register had been subject to a thorough 'cleanse' to combine/reduce the number of risks on the register by around 20%
- An additional 'status' column has been added to explain what has changed within a risk and why.
- The highest risks noted for the F&R Committee included staff turnover, IT infrastructure and cyber-

- security, non-compliance to H&S (although this risk is reducing) and rapid growth
- **ACTION: The Committee noted that responsibility for H&S risk should be updated from Estates Service Manager to Principal**
- **ACTION: The Committee noted that the reference to BREXIT 'leave' date requires update.**

The Committee went on to discuss what checks and balances are in place to be confident that the risk register contains the 'right' risks e.g. are Managers asked 'what keeps them awake at night?'. The Principal agreed the register was mainly SLT led and may benefit from a wider management team input. A member went on to query the inclusion of a catastrophic event which might render some or all of the campus unusable. The Principal noted that whilst provision has been made for this eventuality via the business continuity plan it was not currently included as a risk. The Committee agreed the addition of this risk to the register would be worthwhile. **ACTION: Principal to add a catastrophic event which could render some or all of the campus unusable to the risk register.**

37/19 Item 8i: The Draft 2017/2018 Financial Statements

Members of the Finance and Resources Committee received a confidential paper on The Draft 2017/2018 Financial Statements. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

38/19 Item 8ii: Self-Assessment of Compliance with Regularity and Propriety Requirements

Members of the Committee received the Self-Assessment of Compliance with Regularity and Propriety Requirements for consideration. The Interim Financial Director spoke to the paper and confirmed that there were no issues arising from the document.

Members reviewed the contents of the paper and agreed to recommend the Self-Assessment of Compliance with Regularity and Propriety Requirements to the full Corporation for formal approval at its meeting on the 11 December 2019.

39/19 Item 8iii: Management Accounts at 30 September 2019

Members of the Finance and Resources Committee received a confidential paper on the Management Accounts ending 30 September 2019. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

40/19 Item 8iv: LBE (latest best estimate) Financial Forecasting

Members of the Finance and Resources Committee received a confidential paper on LBE financial forecasting. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

41/19 Item 8v: The Finance Record

Members of the Committee received a copy of the year-end Finance Record which was due to be submitted to the ESFA by 31st December 2019. Members noted that the ESFA used the report to monitor the College's Financial Health via the Financial Health Score and Grade. The Interim Finance Director noted that Finance Record provided reflected an improved score of 250 points (from 230 points in 2018-19) which placed the College in the 'Outstanding' range.

Members of the Finance & Resources Committee agreed to recommend the Finance Record for formal approval by the full Corporation at its meeting on the 11 December 2019

42/19 Item 8vi: Capital Projects Update

Members of the Finance and Resources Committee received a confidential paper on Capital Projects. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

Members of the Finance & Resources Committee reviewed the contents of the paper and noted the current position.

42/19 Item 9i: People & Organisational Development Update – November 2019.

Members of the Finance and Resources Committee received a confidential paper on People & Organisational Development . Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

43/19 Item 9ii: Annual Pay review 2019-20

Members of the Finance and Resources Committee received a confidential paper on an Annual Pay review for 2019-20. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

44/19 Item 9iii: Pay and Reward policy discussion paper

Members of the Committee received a copy of a report outlining possible options for a revised pay and reward policy for introduction 2020-2021. The Committee requested more information about the specific issues the College is trying to solve via the policy and some clearer recommendations about the overall intent. E.g. if we intend to remain a civil engineering centre of excellence we note our requirement to pay market rate salaries etc. It was agreed this paper would be subject to revision and returned to the Committee for their review in the Spring Term.

ACTION: Pay and Reward policy papers to be revised and brought back to Spring F&R
Members of the Committee reviewed and noted the contents of the paper

45/19 Item 9iv: Review of pay and remuneration Senior Post Holders (SPH)/Clerk

Members of the Board received a strictly confidential report on the pay review of the Senior Postholders (Principal and Deputy Principal) and the Clerk. Due to the strictly confidential nature of the contents of the report and the related discussions, this minute is recorded as a separate strictly confidential minute for Governors who are not staff and students only.

46/19 Item 10i: Annual Review of the Financial Regulations – November 2018

Members received a revised version of the Financial Regulations: November 2019. The Interim Finance Director spoke to the paper and noted other than minor job title changes the following amendments were proposed for the Committee's consideration:

- Section headings have been split and moved around, unnecessary sections removed
- Additional cyber-crime and cyber-terrorism and staff/governor expenses policy

- Reduced budget holder ordering for goods with just one quote from £9,999.99 to £5,000. i.e. goods ordered over £5,000 require 3 quotes
- Tendering (Annex F) – amended so that the tenders go out/come back to the DP Finance & Resources via a dedicated ‘tender’ email address. Removed requirement for a (min 3) panel to open & evaluate the tenders unless it is a significant building project (>£1m)

Members of the F&R Committee agreed to recommend the amendments to the College Financial Regulations outlined above to the full Corporation for formal approval at its meeting on the 11 December 2019.

47/19 10ii-vii Review of Strategy and Policy – November 2019

The Principal gave a short overview of main changes to each of the policies/single strategy subject to review.

Members of the Committee reviewed the following formal policies and strategy and recommended their formal approval at the full Corporation meeting on the 11 December 2019;

**Risk Management Policy
People and Organisational Development Strategy
Subcontractor Policy
Disclosure & Barring Policy
Grievance Policy
Disciplinary Policy**

48/19 Date of next meeting - It was noted that, in accordance with the Corporation Calendar approved in June 2019, the next meeting of the Finance and Resources Committee was scheduled for **Wednesday 11 March 2020 at 5.30 pm**

SIGNED:

DATE: