FAREHAM COLLEGE

# **FINANCE AND RESOURCES COMMITTEE**

18th June 2019

# **M I N U T E S**

 Present: Ms K Allen

 Mr M Hoban *(telephone conference)*

 Mr A Kaye

 Mr R Kew (Chair)

 Mr A Wannell *(in attendance until 1st July 2019)*

 Ms K Woods

 In attendance: Ms J Eayrs (Clerk)

 Mrs M Shepherd (Interim Finance Director)

**16/19 Annual Election of Chairman**

Members of the Committee elected Mr Russell Kew as Chair to serve until the first meeting after the 1st April 2020 in accordance with the Corporation’s Standing Orders.

**17/19 Annual Election of Vice-Chair**

Members of the Committee elected Mr Mark Hoban as Vice-Chair to serve until the first meeting after the 1st April 2020 in accordance with the Corporation’s Standing Orders.

**18/19 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.

**19/19 Apologies for Absence and welcome to new members**

 Apologies for absence were received and accepted from Mr Grimwood, Mr Mansergh and Mrs Hinton. The Chair welcomed Mr Wannell, a new member and Mrs Flood, Clerk Designate, to their first meeting of the Committee and introductions around the table were completed.

**20/19 Minutes of the Meeting held on the 6th March 2019**

 The minutes of the meeting held on the 6th March 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.

**21/19 Confidential Minutes of the meeting held on the 6th March 2019**

 The confidential minutes of the meeting held on the 6th March 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.

**22/19 Termly Report on Risk Management – June 2019**

 Members of the Committee were provided with the Risk Register which outlined the top risks which were the responsibility of the Committee to monitor and review. The Principal spoke to the paper and advised members that the Audit Committee had reviewed the May 2019 Risk Register the previous week and a number of revisions had taken place since that meeting. In addition, it was noted that the Audit Committee had provided feedback on the structure and format of the register with regards to identifying what had changed in terms of mitigation to explain the change in ‘movement’ of the indication arrows since the last report. Members had been acutely aware of the challenges and pressures on the Principal, due to the lack of a Deputy and an Estates Manager, and it had been suggested that a review take place over the summer vacation period or that the new Deputy Principal Finance, Funding and Resources review and update the format of the document once in post.

The Principal drew the risks which had deteriorated to the Committee’s attention which related to:

1. **Risk 15: Lack of Capacity within Curriculum middle-management team** – Members noted that recent turnover at CEMAST and a newly presented management capability issue had created heightened risk at the Centre. Members were advised that the SMT had been rota’d to CEMAST to ensure a senior manager was always on site. The Principal advised members that the ability to recruit to specialist roles at CEMAST continued to be a challenge due to College pay rates being behind those offered by schools, universities and industry. It was noted that the AP People and Organisational Development was currently reviewing the pay policy and exploring market supplements and there was a brief discussion about ‘Golden Hellos’. In addition, members discussed the potential impact of Brexit on the automotive trade which could lead to a surplus of personnel in this area over the next 18 months to 2 years. The Principal confirmed that the revised Pay Policy would be presented to the Committee for consideration once it had been developed and reviewed by the SMT;
2. **Risk 16**: **Failure to recruit sufficient apprentices to meet the growth plan in the budget** – The Principal reported that, although the College was approaching the 1000 apprenticeship target there would be a short-fall of £47k against a budget of £3.2 million apprenticeship income. Members were advised that every effort would continue to be made to achieve the 1000 apprentice and income target;
3. **Risk 21**: **Property – Inability to provide accommodation to meet student uptake at CEMAST** – The Principal confirmed that CEMAST continued to struggle in terms of teaching space and parking. He highlighted the fact that CETC2 would offer some release to the accommodation pressure and members were advised that management were currently exploring alternative timetabling options;
4. **Risk 28**: **Affordability of competitive rates of pay** – Members were aware from discussions earlier in the meeting that the AP (P&OD) was currently reviewing the Pay Policy;
5. **Risk 30**: **Appropriate control of hazardous substances** – Members were aware that a full Health and Safety audit had been completed following the incident at CEMAST on the 5th February 2019 and the actions which had been recommended for implementation;
6. **Risk 40**: **CETC Strains Finance** – Members were aware that finances remained extremely challenging. The Principal provided an update on the variation to contract which was agreed at the LEP Board meeting. He confirmed that he was in daily communication with the LEP and he envisaged being in a position to confirm receipt of the funding by the 26th June 2019 Board meeting.

Members identified the need to update the “Third Party Assurance” in relation to risk 12 as TIAA had now completed a follow-up Audit on IT Cyber Security.

 **Members of the Committee reviewed and noted the contents of the paper and the mitigation in place to reduce the risks identified.**

**23/19 Management Accounts at 30th April 2019**

 Members of the Committee received a confidential paper on the Management Accounts at 30th April 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.

**24/19 Budget 2019/2020 and Financial Plan 2020/2021**

 Members of the Finance and Resources Committee received a confidential paper on The Financial Plan 2019/2020 and 2020/2021. 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.

**25/19 Property Strategy 2019-2021: Enhancing an Outstanding College**

Members of the Committee received a paper on the Property Strategy 2019-2024: Enhancing an Outstanding College. The Principal advised members that the Strategy had been further developed to support the T Level funding bid and to include CETC2. The targets for continuous improvement to the estate were as follows:

* Further growth on the Solent Enterprise Zone with the development of the Civil Engineering Training Centre, CETC;
* Creation of Centres of Excellence for T Level Study for Early Years Education, including works to address the poor condition of D Building interior, and Digital, to expand available IT resources;
* Exploration of the best possible configuration and potential expansion of CEMAST to ensure it remained the leader in its field and met the demands put upon it;
* Renovation of the William Price building and F Building interior;
* Improvements to the environmental footprint.

Members reviewed the Property Strategy and provided feedback and suggestions for further development which included:

* The Chair highlighted the fact that there was currently a shortfall in skills in the region for scaffolding. Members discussed whether this could be accommodated into a combined project of the developments planned for CETC2 or CEMAST;
* The need to consider how to generate the funding to enhance and update the facilities within ‘C’ building which was the oldest part of the estate;
* To identify the curriculum opportunity, ensure it complemented the LEP regional plan and explore the funding opportunities to ensure affordability.

**Members requested that the Strategy be updated and presented again to the Committee at the autumn term meeting in November prior to being presented to the full Corporation in December 2019.**

**26/19 Health and Safety Summer Term Report 2019 and External H&S Consultant Report (Executive Summary)**

Members of the Committee received the Health and Safety Summer Term Report 2018 which provided a termly update for Governors since the last report in March 2019. Members of the Committee also received an Executive Summary of the External Health and Safety Consultant Report which outlined areas for improvement following an external health and safety audit. The outcomes of the audit had enable the College to produce a comprehensive action plan which prioritised improvements which could be made to ensure the effectiveness of Health and Safety within the College.

The Principal spoke to both reports and advised the Committee that the health and safety audit had been commissioned following the incident at CEMAST on the 5th February 2019. He confirmed that a full update had been provided to the Audit Committee the previous week and provided assurance to members that, although a number of recommendations had been made, the College was largely compliant and in a good position regarding health and safety.

There was a general discussion about individual responsibility for health and safety and developing a ‘no blame’ culture across all sites. Governors suggested that this be emphasised at new staff induction sessions and reinforced as part of a staff annual training programme.

**Governors also requested that:**

* **Health and Safety be a standing item on the agenda of every Corporation meeting;**
* **The termly report presented to the Board include a separate health and safety risk register and a progress update against the action plan of recommendations which had been identified from the health and safety audit.**

 **Members of the Committee reviewed and noted the contents of the Summer Term Report and the External H&S Consultant Executive Summary Report and agreed a number of actions as outlined above.**

**27/19 Annual Review and Evaluation**

 Members of the Committee received a report on the annual review of the current Terms of Reference and the Annual Cycle of Committee Business and the Committee’s work to support the Board in respect of the Code of Good Governance (The Code) in ensuring effective control and due diligence. The Clerk advised the Committee that all committees of the Board were undertaking this process for their own areas of responsibility.

The Committee reviewed the key criteria enshrined within The Code and agreed that the Board was compliant. No changes to the Committee Terms of Reference or Annual Cycle of Business were identified and no actions were proposed or required to secure further improvement.

 **Governors reviewed the Terms of Reference and Annual Cycle of Business for the Finance and Resources Committee and agreed they had complied during the 2018/2019 year and that no changes had been identified. In addition, the Committee reviewed the compliance/evidence chart presented and agreed that the Board was compliant with the key criteria enshrined within the Code of Good Governance which came under the Committee’s area of responsibility to review (Section 6: Financial Strategy and Audit).**

**28/19 Dates of meetings in the 2019/2020 Academic Year**

 Members considered and agreed the proposed dates of meetings for the 2019/2020 academic year with all meetings to start at 5.30 pm:

* 20th November 2019;
* 11th March 2020;
* 10th June 2020. It was noted that the Chair was unavailable on the 10th June 2020. As a result, the date of the summer term meeting 2020 was subsequently changed to Tuesday 9th June 2020.