

Minutes of the meeting of the Policy and Finance Committee held on **4 February 2021**.

Present: Clive Macdonald (Chair), Yultan Mellor (Principal), John Edwards, Neil James and Prof Tim Thornton.

In attendance: The Assistant Principal – Finance and Business Services (Joy Whistlecraft), the Head of HR (Elin Longley) and the Clerk to the Governors (Sarah Johnson).

Apologies: None.

P21/1 **DECLARATIONS OF INTEREST**

Each governor present declared any potential interests/conflicts of loyalty related to items to be considered at the meeting. With respect to his roles as Deputy Vice Chancellor at the University of Huddersfield and member of the Leeds City Region Employment and Skills Panel Prof Tim Thornton declared a potential conflict of loyalty in items relating to the College's higher education provision. It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the member to withdraw.

P21/2 **MINUTES OF THE LAST MEETING AND MATTERS ARISING**

The minutes of the meeting held on 12 November 2020 were approved as an accurate record.

P21/3 **ENVIRONMENT/SECTOR UPDATE** (Document 2i)

The committee considered a report which provided an update regarding sector developments and changes in the external environment that could impact on College finances, policy development and strategic planning, including:

- response to COVID 19;
- the DfE review of residential funding;
- the ESFA assurance audit;
- devolution of the Adult Education Budget (AEB);
- South Yorkshire colleges;
- links with local MPs;
- Barnsley Council;
- Skills for Jobs: Lifelong Learning for Opportunity and Growth;
- Barnsley Gift Card.

P21/4 A separate confidential minute was recorded.

P21/5 The committee considered the College's response to COVID-19, and particularly the impact on short course recruitment and recovery plans and agreed that appropriate measures were in place, but that term 3 recovery would be impacted significantly by the future lock down position.

Resolved: i **That the report be noted.**

P21/6 **ESFA AUDIT/DFE REVIEW** (Document 3i)

A separate confidential minute was recorded.

P21/7 **PERFORMANCE REPORT – 2020/21 to date** (Document 3ii)

The committee considered the **dashboard for 2020/21 to 31 December 2020**, noting that:

- the recruitment position reported was challenging and performance was substantially under target due to the on-going lockdown position;
- a recovery plan for term 3 was in place but its delivery was dependent on the lockdown context and would not enable the College to recover as far as it was hoping – the AEB outturn projection was currently 58/59%;

- retention was also challenging as some students were finding the current situation very difficult, with issues relating to accommodation and mental health being prevalent;
- recruitment to online provision was not as successful as in the first period of national lockdown;
- noted that teaching staff absence was rated as amber, but this was due to a small number of instances of absences which impacted on the data due to the small staff team, generally absences were low, COVID related absence was minimal, it was a difficult time for staff but the College was working hard to maintain wellbeing and communications.

- P21/8** The committee particularly:
- explored the ESFA's likely position with regards to funding tolerance for 2020/21, noting that this had not been provided as yet, was likely to be above 50%, welcomed that the College had discussed this position with the regional ESFA and supported the development of a business case presenting mitigating circumstances;
 - explored retention challenges including options for deferrals, noting that the College had agreed breaks in learning for a small number of learners;
 - noted that the nature of the College's students meant that they were particularly vulnerable to the impact of the pandemic and that the College's track record for recruitment and retention demonstrated that this position was as a result of the unique circumstances;
 - explored whether any of the staff absences were particularly affecting recruitment but were assured that this was not the case.

- P21/9** The committee considered the **Financial Report for 2020/21 to 31 December 2020**, noting that:
- the current forecast outturn was for a deficit of £1.1M, but that this reflected the worst-case scenario and the College was working hard to improve that position;
 - other income had been significantly impacted by the closure of the College site;
 - some savings had been made in relation to running costs;
 - whilst the balance sheet was currently healthy this would be impacted by creditor liabilities in relation to pension costs at year end;
 - the additional capital grant had now been included and would be utilised over the next two years.

- P21/10** The committee particularly:
- noted that the ESFA repeatedly stated that they had no intention of destabilising the College but that this was already the case and the College should raise this with the ESFA;
 - considered pension costs and liabilities noting that on-going costs were included in the budget and the deficit would be crystallised only if the College were to close;
 - challenged the College to reconsider options regarding furloughing staff in relation to costs associated with areas not generating income, noting that the lack of assurance from the ESFA regarding funding for 2020/21 made the context different to that in 2019/20;
 - agreed that should a furlough approach be taken the College could make up the 20% to ensure that staff were assured that there was no discrimination and no on-going threat to their positions.

Resolved: i That the College reconsider its position regarding furloughing staff associated with areas not generating income.

P21/11 **MIS PROCUREMENT COUNTER CLAIM**
A separate confidential minute was recorded.

- P21/12** **FINANCIAL PLANNING 2021 - 23** (Document 4i)
The committee considered a range of financial planning scenarios, noting that:
- the current uncertainty relating to future funding meant that there were a wide range of potential future scenarios which could be considered;
 - the College was seeking a steer from the committee in relation to the range of scenarios to be further worked up.

- P21/13** The committee agreed that the following themes should be followed in relation to scenario planning:
- that the College is committed to residential learning as a key feature of its offer and would plan on that basis until such a time as it was made unfeasible by national/regional funding decisions;
 - recruitment of and income for residential learners should be maximised;
 - the size of the College must grow in future, as soon as the pandemic situation allows;
 - a range of informed parameters must be agreed and met e.g. class size;
 - uncertainty regarding funding through the combined authorities was likely to continue for 12-18 months as their planning and processes are developed and embedded;
 - deficit position scenarios were not acceptable, but any financial plan must be built on a solid base of deliverable targets.

Resolved: i **That financial planning scenarios be further developed in line with the themes agreed and presented to the next meeting of the committee for consideration.**

- P21/14** **ESFA FINANCE RECORD**
 The committee were alerted to an issue which had arisen with the finance record spreadsheet which the ESFA were seeking to resolve. The result was that it was currently showing the College moving from an outstanding financial status to needs improvement.

P21/15 It was agreed that an updated position would be provided once the issues were resolved.

Resolved: i **That an update regarding the ESFA finance record be provided once the spreadsheet issues had been resolved.**

- P21/16** **CATERING SERVICE**
 The committee received a verbal update regarding the College’s catering service noting that:
- whilst significant savings had been made in year this had taken a substantial amount of careful management and pressure by the College;
 - the contract was inefficient and 2020/21 was its final year;
 - a range of options were being considered for the future in order to make substantial costs savings and build in greater flexibility for the creation of external income;
 - a further report would be provided at the next meeting.

Resolved: i **That a further report regarding future arrangements for the provision of the College’s catering service from September 2021 be presented at the next meeting.**

- P21/17** **RISKS OVERSEEN BY THE COMMITTEE** (Document 4iv)
 The committee considered the register of risks it oversees and noted that all had been explored in detail throughout the meeting and the risk register should be updated accordingly to take into account discussions and next steps agreed.

Resolved: i **That the risk register be updated to take into account discussions and next steps agreed.**

- P21/18** **DATE OF THE NEXT MEETING**
 The next meeting of the Policy and Finance Committee will take place on **26 May 2021** at **10.00am**.

Signed	
Position	Chair of Policy and Finance Committee
Date	