

Minutes of the meeting of the Policy and Finance Committee held on **6 February 2020**.

**Present:** Clive Macdonald (Chair), Yultan Mellor (Principal), John Edwards, Neil James, Lydia Ebdon, Prof Tim Thornton (from min P20/15 onwards) and Kate Fleming.

**In attendance:** The Assistant Principal – Finance and Business Services (Joy Whistlecraft), the Head of HR (up to and including min P20/10), the Head of Marketing and Partnerships (Maria Langham) (from min P20/11 to P20/13) and the Clerk to the Governors (Sarah Johnson).

**Apologies:** None.

**P20/1**      **DECLARATIONS OF INTEREST**

With respect to their roles as trustees Clive Macdonald and John Edwards declared a potential conflict of loyalty in items related to the Wentworth Castle and Stainborough Park Heritage Trust. It was agreed that no decisions were being considered in relation to the trust and this did not therefore pose any issues regarding conflict of interest.

**P20/2**      With respect to his role as Deputy Vice-Chancellor Prof Tim Thornton declared an interest in items which related to the College's HE provision delivered via the University of Huddersfield consortium. The committee considered the interests declared and agreed that they did not pose any issues regarding conflict of interest in relation to items to be considered at the meeting.

**P20/3**      **MINUTES OF THE LAST MEETING AND MATTERS ARISING**

The minutes of the meeting held on 14 November 2019 were approved as an accurate record (a signed copy is filed in the minute book).

**P20/4**      P19/115      It was reported that the Nationwide product discussed was no longer available but an alternative similar product had been identified and this was being progressed.

P19/124      It was reported that a discussion had been held with the chair of Audit Committee and this had been noted by the Board of Governors.

**The committee agreed to reorder the agenda to facilitate participation by staff presenting items.**

**P20/5**      **POLICIES FOR APPROVAL** (Document 4iii)

The committee considered an updated capability policy, noting that it had been completely re-drafted to replace the outdated current policy and was based on a sample of policies from the sector. It was reported that:

- the policy had been designed to provide greater coherence and simplified processes;
- had been considered by the JUNC where an amendment of the timeframe for warnings had been requested which the College had felt was proportionate and reasonable and had therefore been able to accommodate.

**P20/6**      The committee:

- explored how often the policy had been used previously, noting that whilst it had been used rarely it was important for there to be clarity for all staff in relation to expectations and process;
- explored the proposed approach when a staff member's performance deteriorated following expiry of a warning and was satisfied that an appropriate process was in place;
- welcomed that the policy was flexible to enable the College to accommodate varying but consistent and fair approaches depending on specific circumstances;
- explored the difference between formal and informal stages, agreeing that the approach outlined in the policy was appropriate.

- P20/7** The committee considered and approved a revised procurement policy which had been updated as part of the regular cycle of reviews to include paragraphs relating to rolling contracts and safeguarding, and strengthening of the appropriate skills and expertise section
- P20/8** The committee considered the Safeguarding Children and Young People Policy which had been refreshed in line with legislative changes which had occurred in September 2019. It was noted that:
- specific changes related to peer on peer abuse, upskirting, gangs, children missing in education and contextual safeguarding had been added/updated;
  - in response to the College introducing courses where children attended with their parents the policy had been realigned to encompass the whole College;
  - it was recommended that the committee approve the policy for immediate implementation to ensure statutory compliance, with ratification being sought from the Board at its meeting in March 2020.
- P20/9** The committee
- explored why changes had not been made in September 2019, noting that the change process could be complex and involve guidance from the local authority;
  - welcomed the alignment of the Children’s Centre and the broadening of the policy to cover the whole College;
  - noted that a complete redraft of the policy was scheduled with a view to this being in place for the start of the 2020/21 academic year;
  - noted that there remained reference to Children’s Centre staff in the policy and requested that the College double check that these remained appropriate;
  - requested that the reference to mandatory training for students in 8.3.5 be double checked for accuracy.
- P20/10** It was reported that the College had undertaken a full review of its policy framework and a proposal regarding this would be presented to the committee for consideration at its next meeting.
- Resolved:**
- i That the Capability and Procurement policies be considered and recommended to the Board of Governors for approval.**
  - ii That reference to Children’s Centre staff in the Safeguarding Children and Young People policy be double checked, along with the reference to mandatory training for students in 8.3.5.**
  - iii That subject to the checks above the Safeguarding Children and Young People policy be approved for immediate implementation to ensure statutory compliance, with ratification by the Board at its meeting in March 2020.**
- P20/11** **INCOME GENERATION** (Document 4i)  
The committee considered a report which provided an update regarding progress to date against the College’s income generation target for 2019/20 and future planning. The committee agreed that the report provided them with a good opportunity to reflect on the broad approach to income generation and longer term planning.
- P20/12** The committee agreed that:
- the College and the context it was operating in had evolved since the income generation target was set a number of years ago;
  - the target for generating additional income had initially been set as a result of the College suffering reduced funding;
  - income generation should not be viewed as an activity to be pursued in isolation to plug funding gaps but as an integral part of the College achieving its strategic objective to be financially sustainable, a key element of the culture and core business, and not an ‘add on’;
  - the College should take time to implement a robust long term plan that aligned to its core business;

- the College size meant that it was not feasible to keep employing additional staff with the expectation that they would generate new income and the focus should be on building the skills of existing staff;
- there was a much greater potential for success in maximising opportunities that were closely aligned to current areas of expertise, including HE, digital, people in work and trade union provision;
- the College did need to achieve the 2019/20 financial target and deliver new income in line with the agreed budget;
- but overall the governors would want to see a shift in attitude and strategy as much as achievement of the agreed income target.

**P20/13** The committee agreed that going forward:

- it was not appropriate for governors to focus on the specific detail of income generation methods, which was rightly a function of management;
- the work should be integrated into the whole College strategy and income generation reporting should be incorporated as appropriate.

**Resolved: i That future reporting in relation to income generation be incorporated into the overall strategic and performance monitoring framework.**

**P20/14** **DEVOLUTION/FUNDING UPDATE**

The committee received a verbal report regarding funding and devolution noting that:

- formal confirmation had now been received that devolution would not be implemented in the Sheffield City Region in September 2020 as originally planned;
- the earliest possible implementation date would now be August 2021;
- the College had received an indication from the DfE that its current exemption from devolved funding which expires in September 2021 would not be extended;
- the review by the DfE of the use of adult funding by the four residential colleges, in particular residency costs, was on-going.

**P20/15** The committee considered the implications for the College and the potential risks posed, and noted that a further update would be provided at the Board meeting in March 2020.

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

**P20/16** **PERFORMANCE REPORT – DASHBOARD AND FINANCIAL REPORT TO 31 DECEMBER 2019**  
(Document 3i)

The committee considered the Dashboard to 31 December 2019 which reported progress against key performance indicators. It was noted that indicators were rag rated green with the exception of:

- enrolments for teacher education – HE long courses, pre-access short courses, English and maths short courses and community learning short courses which were rated red;
- adult skills funding which was rated amber;
- application to enrolment conversions for FE courses which were rated amber for accredited courses and red for non-accredited;
- male participation which was rated amber;
- co-funded enrolments which were rated amber;
- teaching and non-teaching staff absences which were rated amber.

**P20/17** The committee particularly explored the position regarding enrolments in detail, noting that:

- causes included staff sickness and challenges in relation to the delivery of community provision;
- close monitoring had ensured that issues had been identified early, meaning that there was time for the position to be recovered, and a plan was in place and being implemented;
- no reduction in funding had been included in the financial report at this stage as the College was confident the position could be recovered.

**P20/18** The committee agreed that:

- recruitment and enrolment data should continue to be closely monitored;

- the forecast column in the finance table should be completed for the next report;
- a detailed report regarding the recruitment and enrolment position should be provided for the Board at its meeting in March 2020.

**P20/19**

The committee considered the **Financial Report to 31 December 2019** and noted that:

- as demonstrated in the dashboard AEB delivery was below target in some areas, but the forecast outturn position had not been adjusted as recovery in the remaining 6 months of the year was anticipated;
- the College continued to predict a surplus at year end;
- healthy recruitment on the access to HE diploma indicated that the full grant should be drawn down;
- it was however unlikely that the College would achieve any over delivery for 2019/20.

- Resolved:**
- i **That a detailed update report regarding the recruitment and enrolment position be provided for the Board of Governors at its meeting in March 2020.**
  - ii **That the forecast column in the finance table be completed in all future reports.**

**P20/20**

**RISKS OVERSEEN BY THE COMMITTEE** (Document 4ii)

The committee considered the risks allocated to it for oversight and specifically whether they accurately reflected the risks faced by the College in relation to the remit of the Policy and Finance Committee, whether there were any developing areas which needed consideration, and whether the controls were appropriate and effective.

**P20/21**

It was noted that other than the new risk relating to the DfE review of residential funding being added as previously agreed no further changes had been made since the last meeting.

**P20/22**

It was agreed that the current risks remained appropriate and the controls in place provided assurance. It was noted that a number of the key risks had been explored throughout the meeting.

- Resolved:**
- i **That the risk register be noted.**

**P20/23**

**FINANCIAL PLANNING 2019/20 – 22 (INTEGRATED FINANCIAL MODEL FOR COLLEGES)**  
(Document 4iii)

The committee considered the following elements which would make up the Colleges Integrated Financial Model for Colleges (IMFC) submission to the ESFA:

- forecast outturn for 2019/20;
- latest forecasts for 2020/21 and 2021/22;
- financial objectives;
- summary forecast;
- income generation report;
- financial planning assumptions.

**P20/24**

It was noted that:

- as previously discussed the College was required to prepare a four year integrated financial model for submission to the ESFA by the 28 February 2020;
- this was in the form of a new report which would replace longstanding biannual returns;
- submission requirements had been considered by the Board of Governors at its meeting in December 2019, where delegated authority had been given to the Policy and Finance Committee to approve the report for submission by the deadline, with the Board ratifying the decision at its meeting in March 2020;
- the delegation had included a requirement for the committee to seek approval from the Board by written resolution should there be any notable variation from the already approved and submitted financial assumptions and budget/financial plan;
- as required in developing the supporting commentary for submission due regard had been taken of the checklist in Annex A of the College Financial Planning Handbook 2019.

P20/25

The committee considered each element in detail and agreed that:

- there were no notable variations from the already approved and submitted financial assumptions and budget/financial plan;
- the additional 2021/22 forecast was appropriate and in-line with the College's strategic objectives, financial planning expectations and agreed financial assumptions;
- the cash flow position to be reported was robust;
- overall the plans were consistent with the agreed strategic objectives; and therefore
- the plans could be approved for submission to the ESFA by the required deadline without the need to seek approval from the Board by written resolution.

**Resolved:**

i **That the IFMC financial plan be approved for submission to the ESFA.**

ii **That the reports be submitted to the Board for ratification at its meeting in March 2020.**

P20/26

**CONFIDENTIAL MINUTES OF THE LAST MEETING** (Document 7i)

The confidential minutes of the meeting held on 14 November 2019 were approved as an accurate record (a signed copy is filed in the minute book).

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**DATE OF THE NEXT MEETING**

The next meeting of the Policy and Finance Committee will take place on **Thursday 14 May 2020** at **10.00am** – Queen Anne 3.

<b>Signed</b>	
<b>Position</b>	Chair of Policy and Finance Committee
<b>Date</b>	