

Present: Matthew Adams, Paul Cumming, Phil Douce, Toby Hooper, Sam Lifford, Gill Slater and Ed Senior.

In Attendance: Ruth Scotson (Deputy Principal), Sallyanne Griffiths (Trust Finance Director) and Jo Payne (PA to the Principal/Clerk)

1. Appointment of Chair: Matthew Adams was unanimously appointed as Chair of the Committee for the academic year.

2. Apologies: Angela Davis and Abi Stephenson.

3. Standing Items

- (i) Gill Slater, Toby Hooper and Phil Douce declared that they were trustees of the Shadow MAT Board.
- (ii) Those items referring to senior staff salaries were identified as confidential to the Committee.
- (iii) No urgent items were declared.

4. Minutes

- (i) Minutes of the Finances & Resources Committee: 19th June 2019

The minutes of the meeting were **confirmed** as a correct record and signed by the Chair. An update was received on the action points arising from the minutes and those action points outstanding are recorded below. The Clerk would follow up again in relation to Early Intervention in respect of English and Maths evening classes and whether this had been formally concluded.

The Committee **noted** the information provided.

5. Employment

- (i) Personnel update

The Principal presented the report prepared by the Personnel Officer and the following points were highlighted:

- The number of FTE teaching staff had dramatically declined over a ten year period which demonstrated the impact of funding cuts;
- The College had appointed an apprentice to work in visitors' reception and this would offer full-year support;
- A tutor had been given a lead role to co-ordinate resources and offer support;
- Feedback about the College's recruitment and selection process had been very positive;
- Senior staff salaries compared to national data was considered;
- Sickness absence for teaching staff had increased and was predominantly due to long-term absences;
- Special leave absence had increased for teaching staff, but decreased amongst support staff;
- The Principal and Deputy Principal had been clarifying with teaching staff what was meant by directed time and that this included some cover of lessons to mitigate the impact of staff absence;
- The College's average staffing costs was higher than the national average which could largely be attributed to the proportion of teachers at the top of the main scale and also the number of allowances paid by the College compared to the national picture. This had been addressed to some degree with the management restructure.

The Committee **noted** the information provided and asked whether the apprentice levy was being accessed in relation to the new appointment and this would be checked with the Personnel Officer.

(ii) Clerk's Report

The Clerk presented her report which identified the policies that had been approved by the MAT Board. The Committee received the Pay Policy and Procedures, the Whistleblowing Policy, Risk Management Policy and the procedure for Senior Post-holder appraisals. It was noted that these overarching Trust policies would need to be referenced, where appropriate, in local policies.

Governors felt that the policies assisted with clarifying the MAT structure and felt that a discussion at the Local Governing Body was required to clarify the role of the Local Governing Body and its committees and how this feeds in to the Trust structure.

6. Finance

(i) Financial Update

The Trust's Finance Director presented the Heart of Mercia MAT finance reports for August and September. In relation to the August update it was noted that:

- The figures were prior to completion of the audit and did not include LGPS adjustments;
- There had been a productive meeting between the Executive Principal, the Finance Director and two members of the Finance and Resources Committee in October. It was noted that whilst these updated don't include capital expenditure and cash flow, this would be presented to governors going forward as a result of this meeting;
- The period 1st April to August 2019 showed an operating surplus £127k against a budgeted operating deficit of £98,000 and an EBITDA positive score of £365k;
- The MAT charge included the salaries of the Executive Principal, Director of Quality, Chief Finance Officer and the Clerk to the Board in addition to audit, legal and licence fees;
- The balance sheet at the point of conversion showed £11 million fixed assets, an operating deficit of £563,000;
- The budget was set against split cost/income over two accounting periods. Where bursary funds were previously ring-fenced FSM these now appear in the I&E. The positive variance of £52,000 relates to bursary funds;
- There was a positive payroll variance of £80,000 which took account of an average pay award of 1.6%. £225,000 non-pay was the 'little extras' government funding. This enabled the College to reduce the deficit it transferred to the Trust.

In relation to September it was noted that:

- This was the first month of the accounting period and financial year and as an academy does not include reversal of closing balances;
- The budget was based on a pay award of 1.6% although school teachers had settled at 2.75%. It was noted that anything in addition to the budgeted 1.6% would cost £30,000 per 1%. Last year the settlement had taken until April. Two strikes against funding in the sector had taken place at HSFC. WSFC staff did not meet the threshold in the ballot for strike action, but may be re-balloted;
- September was the first month of increased TPS contributions and has increased the College's monthly employer contributions by £15,000. Funding was received from the ESFA in November to support this increase.
- It was too early to comment on the I&E as items such as funding, marketing, insurance are front-loaded so it was difficult to forecast.

In response to questions the Finance Director advised that:

- Academies do not have good financial benchmarks or KPIs as it was a disparate sector so the financial position continues to be benchmarked against FE indicators. The implication of slippage on the EBITDA score might involve ESFA intervention although they would be more interested in the consolidated position of trust;
- Individual Local Governing Bodies were responsible for setting pay and the College had always followed the SFC national negotiated scales and there was no reason to think this would not continue unless it was unaffordable. There were discrepancies between support staff pay for similar roles across both institutions in the MAT.

The Committee **noted** the information provided.

The Finance Director presented the Trust approved Financial Regulations and explained that the thresholds for financial limits were similar to the College's previous regulations. She added that as an academy some freedoms were lost, for example, ESFA approval was needed for the Trust to buy land/premises. The tendering section was more reflective of the Regulations that the College had previously as these were felt to be particularly thorough.

The Committee **received** and **noted** the contents of the Financial Regulations.

The Finance Director presented the budget update and advised that a slight funding increase of £188 per student had been confirmed by the government and there was also a suggestion that there might be additional funding for high value courses and students studying two or more science or maths subjects might qualify for this uplift. The budget had been updated to reflect the confirmed funding increase and this increased the EBITDA score for 2020-21 to £254,000. This provided an opportunity for the College Principal to consider what to invest monies in after a long period of cutting back. The forecast did not take account of an expected increase in student numbers of around 20.

The Committee **noted** the updated budget and forecast and thanked the Finance Director for her thorough reporting.

(ii) Annual Reports and Accounts

The Finance Manager presented the draft accounts and commented that:

- These were the last set of accounts for Worcester Sixth Form College as an independent SFC. The accounts were kindly prepared by the College's former Finance Manager even after leaving the College's employment;
- The audit was completed by RSM and state an operating surplus of £124,000 prior to assets and liabilities transferring to the Heart of Mercia Multi-Academy Trust;
- To enable the Trust to sign off their accounts, the College's LGB needed to approve the accounts
- A couple of minor errors were noted.

The Committee found some minor errors in the accounts and **recommended** that the Local Governing Body approve the accounts subject to the correction of these errors. Sam Lifford agreed to further review the final accounts and provide comments.

(iii) Student Council Accounts

The Committee received the Student Council accounts. It was noted that the Council were encouraged to use the accumulated funds to purchase College resources to benefit the student body, although it was not felt fair if one year's Council spent all of the accumulated funds. It was noted that more was spent last academic year than in previous years on the charitable purchase of the Giraffe with monies donated to St Richard's Hospice.

Members of the Committee **noted** the information provided and **agreed to recommend** that the Local Governing Body approve the Student Council Accounts for 2018-19.

(Sallyanne Griffiths left the meeting at 6.31pm).

7. Annual Reports

(i) Exams Report

The Principal presented the exams report and noted that:

- All entries had been submitted on time, the implication being that the College was not subject to any late fees which are often significant;
- Private candidates generate £8,000 of income;
- Feedback from students and invigilators about the exams process was positive.

The Committee **noted** the information provided and commented on the importance of the exams process and its efficiency both for financial reasons and so that students feel supported.

(ii) Equality Annual Report 2018-19

The Deputy Principal presented the annual equality report and advised that this was largely the same as the report considered by the committee in the summer term, however, as the committee cycle of business had been brought in line with the Trust's cycle, this would be received in the autumn term going forward. The report had been updated to reflect exam outcomes and the following points were made:

- Females students had not performed as well as males in value added terms;
- The College performed less well with students classed as economically disadvantaged;
- Equality data was incorporated into the College SAR and actions identified in the Quality and Development Plan;
- A change to the College's equality objective was proposed to reduce the number of activities from six to three to ensure that these were meaningful and to refer to activities that would celebrate both religious and cultural events;
- In addition to these cross-College celebrations of religion and culture, the tutorial programme and individual subjects celebrate equality where appropriate and an audit was completed in the summer term to check that this was happening. This would also be checked in schemes of work.

It was noted that 5% of students had responded that they did not feel safe in College which was concerning. The Deputy Principal advised that there was an option in the questionnaire for those who marked yes to elaborate on the reasons for this, but no comments were submitted. Sector data suggested that a figure of this nature was not uncommon and that anything below 6% was deemed to be acceptable. It was noted that new arrangements for student voice would aim to increase participation rates as this was disappointing last academic year.

The Committee **noted** the information provided and **agreed to recommend** the change to the College equality objective as proposed.

8. Property

The Principal reported that:

- The directional signage and foyer refurbishment had been completed;
- An application would be made to the Condition Improvement Fund for replacement of the flat roof over the tutorial rooms as one of the rooms had been decommissioned due to damage caused by water penetration;
- The Property Strategy had been updated to identify potential costings for the short and medium term areas requiring work which include replacing temporary screens in the visitor reception area with a glass partition;
- The bike shed compound was in place and secured with CCTV installed around the area. The turnstile was also operational with students requiring their ID badge to enter but not to exit.

The Principal added that he felt that in relation to site security, a proportionate response had been applied given the level of risk. It was important that security of the site had been highlighted to students and the risk of intruders coming on to the site reduced by the measures implemented. There were still issues to be addressed such as the entrance for deliveries which is currently the door used for disabled access which was not ideal.

The Committee **noted** the information provided and agreed that the signage and look of the foyer was much improved.

9. Health & Safety

(i) Health & Safety Update and Accident Report

The Principal presented his report and reported that a fire drill had taken place and evacuation of the building was not inhibited by the maglocks on external doors as these automatically release when the alarm sounds. The summary of reported accidents was included in the report for monitoring.

In response to questions it was reported that there had not been any incidents that required reporting to the HSE in over 5 years and that the Health, Safety and Wellbeing Committee monitored the nature and response to each reported accident on a termly basis to identify any trends. The Committee **noted** the information provided.

(ii) Educational Visits Co-ordinator Report

The Principal referred to the report prepared by the Educational Visits Co-ordinator. The EVC had implemented minor changes to the way in which staff organising trips complete the required paperwork to include prompts so that greater consideration was given to the risk assessment depending on the nature of the activity. The Principal advised that the EVC had recently responding promptly and calmly to ensure that Geology students whose ferry to the Isle of Arran was cancelled, had accommodation and breakfast booked and he also kept parents informed.

The Committee **noted** the information provided.

(Phil Douce left the meeting at 7pm)

10. Closing Standing Items

(i) Risk Management:

The Principal identified the key revisions to the Risk Register and Assurance Map and raised the following points:

- Support had been provided by a member of the MIS team at HSFC in ensuring the College's ILR return was submitted. The ILR was crucial for the College's funding;

- An IT Consultant was visiting College tomorrow with a view to providing additional support;
- There had not been any issues accessing the new MIS system, but some difficulties in running reports initially due to the difficulties of migrating the data from the College's old system to the new system. A development group was meeting regularly to discuss updates and review priorities.

The Committee **noted** the information provided.

- (ii) Impact: The committee noted that its consideration of site security updates and the proportionate response to the level of risk had clear implications on safeguarding learners.
Challenge in relation to the MAT charge and what this contributed towards demonstrated dedication to ensuring that funds are spent in the best interest of the College and its students. The Committee discussed the need to formalising the financial arrangements relating to the MAT charge in advance of new institutions joining the MAT.
- (iii) Any Urgent Business: No additional urgent business was identified.
- (iv). Date of Next Meeting: Wednesday, 12th February 2020

The meeting finished at 7.13 pm

Signed:.....
Matthew Adams (Chair)

Date:.....

FINANCE & RESOURCES COMMITTEE: ACTION POINTS ARISING FROM MEETING ON 13TH NOVEMBER 2019

Report Reference	Action Point	Person Responsible	Completion	Check
FRC/13.11.19/5(i)	Check whether the Apprenticeship Levy was being accessed for the new apprentice.	EYS	12.02.20	
FRC/13.11.19/6(ii)	Liaise with RSM to ensure errors in final accounts are corrected ahead of LGB consideration and approval.	JJP	27.11.19	

ACTION POINTS CARRIED FORWARD

Report Reference	Action Point	Person Responsible	Completion	Check
RC/20.03.19/4(i)	Confirm with the ESFA if Early Intervention in relation to 19+ GCSE Maths and English had been concluded.*	JJP*	27.11.19*	

ACTION POINTS COMPLETED

Report Reference	Action Point	Person Responsible	Completion	Check
F&R/19.06.19/6(i)	Circulate explanation of how MAT charges would be spent and establish the MAT's financial strategies.	SAGR	July 2019	✓
F&R/19.06.19/10	Refine the exclusions support in terms of the 'other' category.	RJS	November 2019	✓

* Denotes changes.