

**SANDWELL COLLEGE**

**Minutes of the Finance & Strategy Committee meeting held on  
Thursday 24 November 2022, 4.00pm**

Present: K Ellis Independent Governor  
G Pennington Principal  
P Stanaway Independent Governor

In attendance: J Bailey Exec Director, Finance and Corporate Resources  
R Barrett-Price Director of Estates Development and Capital Projects  
B Beaty Exec Director, HR and OD  
D Holden Vice Principal, Curriculum  
E Scotford Clerk to the Corporation

Apologies: S Griffiths Exec Director, Strategy and Projects  
A Taylor Independent Governor (Chair)

		Action
F22.25	<b>Welcome and Apologies</b>	
	All present were welcomed to the Committee. Apologies were received from Alan Taylor and <b>accepted by Governors</b> .  Apologies were also received from Simon Griffiths.  RESOLVED THAT: The meeting would be chaired by Ken Ellis in Mr Taylor's absence. Proposed by: PS, seconded by: GP.	
F22.26	<b>Declarations of Interest</b>	
	There were no declarations of interest.	
F22.27	<b><u>Minutes of the Finance &amp; Strategy Committee meeting held on 30 June 2022</u></b>	
	RESOLVED THAT: The minutes were <b>approved</b> as a true and accurate record and were signed by the Chair.	
F22.28	<b>Matters Arising</b>	
28.1	Minute No. B22.25 – bank finance proposal – the College advised that it had decided not to proceed with the bank loan due to rising interest rates and the potential changes which would arise from the ONS Review.  The decision had also been taken not to proceed with setting up the subsidiary company discussed at the July Board meeting at this stage, although potentially would be revisited in the future.	
28.2	Minute No. F22.22.2 – managing capital risks to be a standing agenda item – Clerk to action.	Clerk
28.3	Minute No. F22.31 – Governors to complete and return the Committee effectiveness questionnaire – actioned.	
F22.29	<b><u>Capital Projects Update</u></b>	
29.1	<b>Cadbury Science STEM</b> – work had now started on site with Spellar Metcalfe. The design scheme had been novated. All work was progressing well. An expansion of time claim would be submitted. The project remained on budget and was due to finish on schedule summer 2023.	

29.2	<b>Cadbury Science City Phase 4 – condition improvements</b> – the College had tendered for a multi-disciplinary design team and had undertaken a number of surveys, e.g. roof condition, mechanical and electrical. The project was on schedule to start in spring 2023.	
29.3	<b>Engineering Centre, West Bromwich</b> – the design was progressing well. The College had secured O'Brien's for ground works and external work. The portacabin modular method of construction would be used. Delivery had been secured and contracts were signed on 24 November 2022.	
29.4 NFP		
29.5 NFP		
29.6	RESOLVED THAT: Governors received an update on capital projects.	
F22.30	<b><u>Strategic update</u></b>	
30.1	<p>The Ofsted inspection took place and resulted in a very positive outcome. This was a significant achievement given current circumstances and the timing of the inspection around the enrolment period.</p> <p>A number of student related areas received Grade 1s. Attitude to learning and behaviour were all very positive as reflected in the report.</p> <p>There was work to do around apprenticeships but this was a relatively small provision for the College. The College's outcomes for apprenticeships were very good but inspectors no longer considered outcomes.</p>	
30.2	Enrolment had settled well.	
30.3	Ofsted related budgets, invested to secure a positive inspection outcome, could now be reallocated elsewhere in the budget.	
30.4	The main focus now was re-engineering the curriculum: a task group had been set up.	
30.5	The Principal had given a presentation on T levels to the SFCS Conference on 24 November 2022. Many colleges had decided not to deliver T levels.	
30.6	Governors congratulated the College on its excellent Ofsted result and looked forward to celebrating this achievement with staff at the end of term celebration event.	
30.7	RESOLVED THAT: Governors received a strategic update.	
F22.31	<b><u>Finance Report and Management Accounts</u></b>	
31.1	Financial summary outlined. The budget was in a breakeven position, with an operating surplus of 3.8%.	
31.2	The external audit had now completed and the results and findings had been considered in detail by the Audit Committee. The final position post-audit showed a slight deficit because of movement in the LGPS. This was a non-cash item.	
31.3	Financial information from P2 September 2022 accounts was presented and discussed. This year had been slightly behind schedule because of staff changes in the Finance team.	
31.4	The finance RAG ratings were reviewed. The main areas of focus were: income; adult apprenticeships and in-year growth.	

	<p>The significant agency costs related to costs incurred for Ofsted and income were being refined to ensure there were no inefficiencies so it was hoped the figure would reduce.</p> <p>Non-pay areas for inflationary risk and energy were to be monitored. A meeting on energy options next year had been held on 24 November 2022 and included Governor attendees.</p>	
31.5	The College had decided, although it was good to have fully explored the option, it was more prudent not to proceed with the additional bank loan at this time due to rising interest rates and uncertainties around the ONS Review.	
31.6	Financial KPIs were noted.	
31.7	Cashflow was healthy. Cash levels would reduce in line with planned capital expenditure.	
31.8	<p>The College had supported as many students as possible with free school meals and Chromebook initiatives had been successful. This ensured that learners on the lowest incomes could participate in education.</p> <p>Governors were pleased to note the College's successful work to overcome barriers to learning.</p>	
31.9	<p>Governors challenged if the green RAG rating should be maintained on the operating surplus given there were a number of risks that could affect it, e.g. energy costs.</p> <p>The College explained it was rated green because it took a prudent approach to budget setting. The College retained headroom within the FE Commissioner's benchmarks. The College identified any risk areas in income and would need to be some way from its budget position before the underlying financial health of the College was affected.</p>	
31.10	<p>Governors asked any of the financial risks had been quantified yet.</p> <p>The College advised that the energy options should be clearer soon and would be taken to the Board meeting on 5 December 2022. The current contract was due to end in April 2023.</p> <p>Governors noted that approval would be needed at the December Board meeting on how to proceed with the decision-making approach to energy contracts to ensure proper governance processes were followed. Other items, e.g. income were included because of the time of year various returns had to be submitted to the funding bodies. These would be the focus for discussion by the management team over the next couple of months.</p>	
31.11	RESOLVED THAT: Governors received and monitored the finance report and management accounts.	
F22.32	<b><u>Risk Register</u></b>	
32.1	<p>Some key risks had been removed: the Ofsted inspection had now taken place; agreement had been reached on the pay award with UCU; capital projects were progressing.</p> <p>The Risk Register had been thoroughly reviewed and monitored by the Audit Committee.</p>	

32.3	<p>In respect of financial risks, the Principal commented that economies could be made.</p> <p>The public sector was facing cuts and it was possible that, even if reclassified by the ONS, colleges might not reap many benefits.</p> <p>Discussion took place on the possible ramifications of the ONS review and how it might affect colleges' financial operation.</p>	
32.4	RESOLVED THAT: Governors monitored the Risk Register.	
F22.33	<b><u>HR Report</u></b>	
33.1	Following the Ofsted inspection, the College needed to ensure it was structured appropriately from an expenditure and cost perspective to ensure it could fulfil the curriculum re-engineering work ahead. The output of the review would be reported to the Board.	
33.2	Recruitment update given. The College's staffing body was more stable than many other colleges but it was always looking at how to strengthen its succession pipeline.	
33.3	Update provided on the application of statutory guidance – codes were usually updated at this time of year. Further enhanced checks were now required for staff involving social media, guidance was included on how to manage that responsibly. A review of the application tracking system was underway, including the approach to interviews and references, to ensure it remained fit for purpose.	
33.4 NFP		
33.5 NFP		
33.6 NFP		
33.7	<p>Absence and wellbeing – a new counselling service was in place. Feedback from the new provider and users was excellent. The first formal report from the provider was awaited.</p> <p>Governors highlighted that a number of NHS organisations were expanding their support in light of austerity including free financial advice and budget planning courses; subsidised or free meals for staff. Contact information would be shared with the Exec Director, HR and OD.</p> <p>The College reminded Governors of its 'Together All' platform, a 24/7 support service for staff.</p> <p>The College explained its plans to run financial awareness training with students, particularly to support those living on their own and was researching external partners. Governors' suggestions were welcomed.</p>	PS
33.8	<p>Development and recognition – professional development was judged positively by the Ofsted inspection. Two new programmes of note were:</p> <ul style="list-style-type: none"> <li>- The cross-college programme for new managers – it was important to equip them with improved management skills.</li> <li>- New aspiring senior leaders programme – to be launched in January. There were already encouraging levels of interest.</li> </ul>	
33.9	The Ofsted report highlighted certain people-related items of merit: staff morale; professional development.	
33.10	RESOLVED THAT: Governors received the HR report	

F22.34	<b><u>Student Union accounts 2021/22</u></b>	
	RESOLVED THAT: Governors received and approved the Student Union accounts 2021/22.	
F22.35	<b><u>Policies</u></b>	
	There were no policies to review/approve.	
F22.36	<b><u>Any Other Business</u></b>	
	There was no other business.	
F22.37	<b><u>Determination of Confidential Items</u></b>	
	<b>B22.29.4, B22.29.5, B22.33.4, B22.33.5, B22.33.6</b>	
F22.38	<b><u>Date of next meeting</u></b> <b>Thursday 16 February 2023, 4.00pm</b>	

The meeting ended at 5.55pm