



REASEHEATH COLLEGE BOARD
FINANCE AND GENERAL PURPOSES COMMITTEE
Minutes of the meeting held on 22 June 2023 at 2.00pm
Food Centre, Room D3

Present: Malcolm Burns (independent) MB
 Marcus Clinton (principal) MC
 Elizabeth Harrison (independent, chair) EH
 Angela Potter (independent) AP
 Paul Weston (independent) PW

In attendance: Graeme Lavery (VP finance and resources) GL
 Louise Woodman (director of people and culture) LWoodman
 Jackie Schillinger (company secretary and head of governance)

PART A (unless stated)

Item	Content
1.	WELCOME AND APOLOGIES FOR ABSENCE
1.1	The committee chair EH welcomed all to the meeting. Apologies were received and accepted from David Pearson and Liz Watts.
2.	DECLARATIONS OF INTEREST
2.1	There were no declarations made to the meeting.
3.	MINUTES AND MATTERS ARISING
3.1	RESOLVED: The minutes of the meeting held on 17 February 2023 are approved as a correct record.
3.2	The action log was reviewed for assurance that actions were on track. It was agreed to keep the action on following up with the ESFA as the college continues to follow up with the bank, with an update to the next meeting. <i>Action: Update to next meeting.</i>
4.	HUMAN RESOURCES
4.1	HR Update Report: The Director of People and Culture (LWoodman) presented the HR Update Report which included feedback on those areas with lower engagement in the staff survey reported to the previous meeting, as requested by the committee. Her report included progress against key performance indicators and objectives and key statistical data including staff turnover, leavers and starters, exit interview analysis, employee relations and sickness and absence data. She highlighted the continuing challenging recruitment and retention environment, as noted at the previous meeting and its impact on staffing in the college, as well as the actions in place to mitigate. Written feedback from the link governor on her recent attendance at a staff voice meeting was received and welcomed by the committee as a way of additional information on current themes and culture across the college. LWoodman noted that recent turnover of key staff in the HR team has meant several vacancies are being filled now and she has re-structured the team to manage this effectively. She highlighted that this would have a temporary impact on her ability to progress strategic projects as she is having to be more involved in day-to-day matters and she will need some time to embed the new team over the next six to nine months. Members acknowledged the challenge and expressed their support for the continuing work done by LWoodman and her team. They recognised the significant amount of work being done to support recruitment and retention, including the salary modelling work

4.2	<p>now included in the draft budget. They acknowledged the continuing risk level as discussed at the previous meeting and highlighted in the strategic risk register.</p> <p>RESOLVED: The committee takes assurance on the continuing work of the HR Team to manage the risk of a failure to recruit and retain high quality staff, with good progress made on salary modelling to aid recruitment and retention of staff, but recognising the change of staffing in the HR team itself will require some time to embed.</p>
<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>STUDENT NUMBERS AND FUNDING REPORTS</p> <p>Student recruitment and funding data report: GL presented his RAG rated report on student numbers and funding: These were ESFA 16 – 18 Grant funded – Amber; AEB 19+ Grant Funded – Amber; Adult funded Budget – Amber; Apprenticeships – Red; Higher Education – Red. In discussion and questioning, it was highlighted that the difficulty in recruiting and retaining specialist staff is one of the main reasons for the red rating for apprenticeships and the lobbying with government policy makers and engagement work with the large employer partners was recognised as a key part of the strategy to resolve this issue. GL confirmed the college is recording the business it is having to turn away as part of this evidence for lobbying work, which is also focusing on the subcontracting rules as they are too restrictive now to allow for innovative ways to solve the problem. He provided assurance that the budget is based on not having this capacity and so any progress made with large employers to support delivery should unlock some of this potential income for the college. Significant progress has been made with one employer JCB who have agreed to look at ways to support the college to be able to deliver and this could be a watershed moment and lead to a new model, which would be a real breakthrough for the whole sector if it can be made to work. The meeting noted however that the other key issue in apprenticeships is the funding levels which is a sector wide lobbying issue as the margin is so low that it is becoming uneconomical to deliver them. It was noted that demographics continue to be favourable for the next few years. On HE recruitment it was acknowledged that much good work has gone into developing a good curriculum offer and the HE Committee provide assurance that quality and curriculum progress is strong with strong retention this year, but with an impact on recruitment yet to be seen. It was acknowledged that student decisions are being made much later in an uncertain environment and a good clearing cycle could help HE numbers for this coming year. Members probed the retention issue further. It was not being seen in areas where it might be expected and is a complex picture of students leaving to go into work or apprenticeships as well as behaviour disciplinaries and fitness to study factors. College actions for the new academic year were discussed, with a fundamental re-set with better early intervention, better use of the tuition fund and clear expectations on student and staff from the outset. This project is being led by the assistant principal performance and progress and it should have a positive impact on retention for next year.</p> <p>RESOLVED: The committee takes assurance from the reporting that it understands the student number/income issues, and where the college currently is. It is assured on the reasons for the drop in retention and the actions now in place to address this. It highlights the capacity to deliver as a barrier to apprenticeship income and the good work to partner with industry on this, with continued lobbying to government policymakers.</p>
<p>6.</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p>	<p>FINANCIAL STRATEGY</p> <p>Part B item.</p> <p>RESOLVED: To recommend a one-off payment of £500 as part of the college voucher scheme, to be announced with carefully considered communication at the staff development day, if supported by the Board via written resolution to be formally recorded at the Board meeting.</p> <p>Part B item.</p> <p>RESOLVED: The committee reports the uncertainty of the financial environment, with support for the deficit budget approach for 2023-24, which will not achieve all financial objectives but with strong liquidity in the short term and further sensitivity analysis on bank interest rates</p>

6.5	<p>and student numbers made to the committee before the it recommends the draft budget to the Board.</p> <p>RESOLVED: The committee supports communication of the staff pay scales changes and cost of living award at the forthcoming staff development day if supported by the Board via written resolution to be formally reported at the Board meeting.</p>
7.	ENVIRONMENT AND ESTATES STRATEGY
7.1	Part B item.
7.2	Part B item.
7.3	RESOLVED: The committee takes assurance on the management of capital bids and projects in line with the environment and estates strategy but with recognition that the financial environment puts projects in the planning stage under pressure in terms of timeline.
8.	ITEMS FOR APPROVAL
8.1	RESOLVED: FE Tuition fees 2023-24 and Bursary Policy is approved.
8.2	<p>RESOLVED: The committee considers it has met its responsibilities under its Terms of Reference (TOR) in 2022-23 and it recommends the following additions to its The TOR for 2023-24, for approval:</p> <ul style="list-style-type: none"> • To review sections of the risk register that are relevant to the committee as requested by the Audit Committee and provide assurance to the Audit Committee on mitigating actions. • To consider relevant policies and procedures that require Board approval and, where agreed, recommend them for approval to the Board. • To consider relevant HM Treasury Guidance following ONS reclassification
9.	ANY OTHER BUSINESS
9.1	There was no further business reported to the meeting.
10.	ANY ITEMS TO ESCALATE TO RISK REGISTER/BOARD
10.1	<p>RESOLVED: The committee reviewed the strategic risks within its remit and reports that</p> <ol style="list-style-type: none"> 1. The proposed budget approach for 2023-24 is intended to manage SR1 and 2 effectively, which the committee supports, with the committee noting that the college remains exposed to interest rate fluctuation 2. SR6 on resourcing capital projects to support college strategy will be under increased pressure next year, which will be monitored by the committee. 3. On SR7 the HR team restructure is intended to manage the recent turnover in the HR team but will take some time to embed. Staffing capacity issues are still impacting capacity to deliver to demand.
11.	DATE OF NEXT MEETING
11.1	RESOLVED: The date of the next meeting was confirmed as Thursday 30 November 2023 9.30am, with an additional Teams meeting to be arranged for 6 July 2023 to finalise the budget paper to recommend to the Board for approval.

The meeting closed at 4.50pm.

Approved as a correct record 30 November 2023

Chair: Elizabeth Harrison

Post meeting note: 6 July Teams meeting reported recommendation to Board on 13 July 2023