**The Corporation of Newham Sixth Form College**

**Finance & Resources Committee**

**Minutes of the Meeting held on 2 December 2020**

**Members**

|  |  |  |
| --- | --- | --- |
| Simon Mayfield (Chair) | Independent Member  | Present  |
| Laura De Vos | Staff Member – Support  | Present  |
| Mandeep Gill  | Principal & Chief Executive  | Present  |
| Kieran Healy | Independent Member | Present |
| Martin Rosner  | Independent Member  | Present  |
| Graham Willson | Independent Member  | Present  |

**Non-Members in attendance**

|  |  |  |
| --- | --- | --- |
| Michael Gainlall | Vice Principal Finance & Operations  | Present  |
| Robin Jones | Clerk to the Corporation | Present  |

**1 CHAIR OF THE MEETING**

In the absence of Simon Mayfield the Vice Chair, Graham Willson, took the chair to start the meetings.

**2 APOLOGIES FOR ABSENCE**

The Corporation NOTED that all Members were due to be present on this occasion. However, Kieran Healy was having difficulty in accessing the online meeting and Simon Mayfield had been delayed due to another commitment. Both Members joined the meeting during item 6.

The meeting was quorate from the beginning.

**3 DECLARATION OF INTERESTS**

The Members confirmed that there were no declarations of interest to be recorded on this occasion at this stage of the meeting based on the published Agenda.

**4** **MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 4 NOVEMBER 2020**

The Minutes of the meeting of the Finance & Resources Committee held on 4 November 2020 were agreed to be a correct record.

**5 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE FINANCE & RESOURCES COMMITTEE HELD ON 4 NOVEMBER 2020**

The Committee noted that there were no matters arising from the Minutes of the meeting of the Finance & Resources Committee held on 4 November 2020 which were not covered by the published Agenda.

**6 MANAGEMENT ACCOUNTS – OCTOBER 2020**

The Committee received the Management Accounts for October 2020 (Period 3 of 2020/21).

The Vice Principal Finance & Operations provided an overview of the key issues with the overall College financial position being regarded as healthy and the requirements of the bank covenants being met in full.

It was stressed that all budgets were being monitored closely with the intention of delivering an end of year surplus in line with the original projections.

Members took the opportunity to seek clarification of a number of issues relating to the Management Accounts and the College Budget generally including the following:

* Pay costs for NewVIc were in line with the budget although the impact of Covid-19 and the need to provide cover for absent staff could increase costs before the end of the year
* A number of capital grants had now been released although this had a neutral impact on the overall budget position as depreciation costs were reduced by the same amount
* High Needs learners and the associated income were the subject of ongoing discussions with the London Bourgh of Newham and it was understood that a new manager would be taking up the responsible post on 7 December 2020 when it was hoped that agreement could be reached on future payments to the College
* Cleaning and catering costs were also affected by Covid-19 with the use of bio-misting on a monthly basis to continue for at least the remainder of 2020/21
* The spend on exam fees was not spread evenly over the year and so the current position was not representative on current commitments – another consideration was that at the time of the meeting it was not known for sure what would be the exam arrangements in the summer of 2021
* News was awaited from the ESFA if any additional funding would be made available to colleges which enrolled more students than covered by the current funding agreement

The Principal & Chief Executive took the opportunity to update the Committee on the Government position on getting students back into College rather than delivering part of courses online. At present NewVIc was providing learning on a 50 : 50 basis – that is 50% onsite and 50% online. If the College was to increase the onsite provision it was likely that there would be additional cleaning costs to try and maintain a Covid-19 free environment as far as that is practicable. The ESFA would be meeting the Principal & Chief Executive on 4 December 2020 to discuss the College position in the knowledge that some local colleges were claiming to be providing 100% of delivery onsite. One important factor for NewVIc was that many students have said that they would prefer 100% onsite delivery. A comprehensive update on the College position would be presented to the Corporation on 16 December 2020.

A Member asked about the practice of seeking to build up a cash surplus to fund future developments such as the planned capital project rather than spending on the education of the current students. In short was this ethical. It was explained that whilst capital funding may be available from the Government or an organisation such as the GLA the expectation was that colleges would fund major projects from their own reserves and by taking out bank loans which of course have to be serviced over 10, 15 or even 20 years.

The Committee agreed to NOTE:

1. the Management Accounts for October 2020 which would now be made available to all Members of the Corporation for their information
2. the background information provided in response to questions from Members as outlined above.

*Note: Simon Mayfield took the Chair at this point of the meeting*

**7 FINANCIAL STATEMENTS – 2019/20**

The Committee received the draft Financial Statements for 2019/20 and, for information, the Management Report prepared by the Auditors as presented to the Audit & Risk Committee on 25 November 2020.

The Committee agreed, following discussion, to RECOMMEND to the Corporation on 16 December 2020 that the Financial Statements be signed for publication subject to consideration being given to the advice of the Audit & Risk Committee.

**8 ESTATES - UPDATE**

The Committee received an update on issues impacting on the planned capital project including:

* to date only 2 of the required warranties linked to the first phase of the building project had been provided despite the main contractor being chased
* the interviews for the New Build Manager would take place shortly
* the College Condition Survey was out of date having been prepared in about 2012 and this would be addressed with due urgency so that the College could seek funding for improvements as and when allocations became available.

Members were interested in understanding the position with regard to warranties and were supportive of gaining legal advice if the contractor continued to be unhelpful in this respect. One aspect to explore was if the contact was in a standard form or had been modified in any respect as, regardless of use of sub-contactors for any work, responsibility for the warranties should remain with the main contactor.

Finally, in response to a question from a Member, it was confirmed that it was the intention to establish a Task & Finish Group relating to the planned capital project once there were issues to be addressed.

**9 HEALTH & SAFETY – UPDATE**

The Committee NOTED that the main focus of the recent actions relating to the health and safety of students and staff were linked to the Covid-19 pandemic including the ongoing review of and changes to the arrangements for:

* movements around the communal areas
* spacing in staffrooms and stopping hot desk sharing
* responding to Covid-19 cases and tracking those affected.

The Corporation would receive a comprehensive verbal update on the impact of Covid-19 at the meeting on 16 December 2020.

Member Martin Rosner drew attention to his recent appointment as Health & Safety Link Member and that in January 2021 he would arrange to discuss the up-to-date position with the Vice Principal Finance & Resources and others so as to gain a good understanding of the arrangements in place.

**10 KEY PERFORMANCE INDICATORS APPROPRIATE TO THE FINANCE & RESOURCES COMMITTEE**

The Committee received the report of the Principal & Chief Executive relating to the Key Performance Indicators (KPIs) for the College and specifically the ones to be tracked by the Finance & Resources Committee on an ongoing basis.

It had been recognised that the KPIs for finance were well established and reported on a monthly basis via the Management Accounts. However, there was a need to introduce more appropriate ones for estates, health & safety and HR.

Under normal circumstances targets would be provided for a three year period. However, the Covid-19 pandemic meant that there was considerable uncertainty and for being only one year targets would being proposed.

To assist the Committee the Annual Report on Staffing & Performance as presented to the Corporation in February 2020 was circulated with the Agenda as it gave a number of areas that could be added to the KPI report.

Members sought clarification of the data available including the 54.02 for staff costs as a percentage of adjusted income as this was much lower than had previously been reported for the College. It was explained that the number was based on the income to date and was affected by the ESFA front loading the funding allocation. The true percentage for staff costs for the year as a whole was around 72%.

The Committee AGREED:

1. to note the information provided on KPIs and that these would continue to be refined in the light of experience and developments
2. to welcome the intention of the Principal & Chief Executive to ensure that the covering report would highlight those KPIs where performance was below target and, most importantly, the actions being taken to bring back in line with targets

**11 ITEMS FOR THE NEXT SCHEDULED MEETING OF THE FINANCE & RESOURCES COMMITTEE**

The Committee recalled that the Work Plan for future meetings of the Finance & Resources Committee included as standing items:

* Management Accounts
* Health & Safety – Update
* Estates – Update
* KPIs

The meeting on 24 March 2020 would receive the Annual HR Report which in previous years had been presented to the Corporation.

A Member asked about the timing of the presentation to the Committee of a broad overview of the Annual Budget for 2021/22. The Vice Principal Finance & Operations explained that it was anticipated that by the time of the March meeting the College should have received from the ESFA the funding allocation for the next year and this would provide the starting point for the preparation of the Annual Budget.

**12 CALENDAR OF MEETINGS – 2020/21**

The Corporation NOTED the dates of the planned meetings to take place in 2020/21:

* Wednesday 24 March 2021 at 4 pm
* Wednesday 30 June 2021 at 4 pm

It was recognised that other meetings will be arranged if and when thought to be appropriate to address issues.

 Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_