

Minutes of: Finance and General Purposes Committee

Date: 25th November 2024 **Location:** A5, College Road Campus

| Present | In attendance |
|---|---|
| Mervyn Jones (Chair) Clive Hodgeman Peta Darnley John Auckland Abigail Appleton (Principal & CEO) | Tim Williams (Finance Director) Abigail Boyce (Clerk to Governors) |
| Quoracy: meeting was quorate as stated in paragraph 1 below. | Absent: None. |

1. **Quorum** – The meeting was duly convened as a quorum, as three members was present, satisfying the quorum requirement set out in Section 2, Clause 2.2 of the Standing Orders (*Finance and General Purposes Committee Terms of Reference*).
2. **Apologies for Absence** – no apologies were received.
2. **Declarations of interest** – no new declarations were noted.
3. **Minutes of the last meeting**
 - a. **Approval of minutes of last meeting held on 30th September 2024** - Minutes were approved as a true and accurate record.
 - b. **Matters Arising** - The Principal provided an update on the Energy Statement intended for display at the college, noting that an energy assessment of the colleges was required before the statement could be finalised and displayed.
4. **Financial Statements for year ending 31 July 2024 (draft)**

The Finance Director reviewed the statements and outlined the Auditors' comments. They summarised the adjustments made to the statements. The Committee confirmed that they were satisfied with the statements.
5. **Finance Reports and Letters** – The Finance Director presented the following reports and letters, and highlighted key areas.
 - a. **DfE College Financial Health Letter**

The Committee discussed the increase in student numbers, noting that the trend is relatively balanced compared to other colleges. It was highlighted that there have been no further declines in FE enrolments. The Finance Director pointed out that colleges carry less debt than universities, as they do not incur the costs associated with student accommodation, which forms a significant part of university debt. The Finance Director also informed the Governors that the dashboard would not be available until December.
 - b. **Financial update and Management Accounts to 30 September 2024**

HE Fee Increase - The Committee discussed the possibility of raising HE tuition fees and considered whether it might affect enrolments. It was agreed that the proposed increase was minor and

unlikely to deter prospective students. The Committee concluded that raising the fees would be in the college's best interest. The increase would apply from September 2025, and would only affect new level 4 students and not returning students going into their next year of study. The proposed fee rise will be submitted to the Board for approval, with a note ensuring students are informed as soon as possible. The decision will be formally recorded at the Board meeting.

National Insurance, National Living Wage and Pension - The Finance Director informed the Committee about the increase in employers National Insurance from April 2025. The increase costs would be approximately £10K per month or £120K per year. The College was in the public sector and this increase should be funded by the DfE. The mechanism for this was unknown. The Committee then reviewed the National Living Wage figures, with the Finance Director explaining the calculation process. The increase would be approximately £2K per month over budget. They discussed the importance of ensuring staff feel valued through their pay. The Finance Director highlighted a possible small saving in the local government pension scheme from April 2026. The change may reduce the risk that employer contributions would increase again from April 2026.

Management Accounts – The Finance Director informed the Committee that the forecast appeared slightly better than presented at the October Board. The Finance Director highlighted the risks within the budget. Provisions have been made to income to account for withdrawals were slightly smaller than the norm and there was £40K of additional income assumed to cover the increase in National Insurance. The FD noted how adjustments have been made to certain items.

c. Bank Mandate

The Finance Director explained to the Committee who the signatories are, and noting that there were no changes compared to the previous mandate. It was highlighted that bank mandates require Board approval. The Committee confirmed their approval.

6. New Course costing: MA Forged Metal

The Finance Director presented the financial figures for the new course. Key points discussed included:

- **Financial Implications:** The potential impact of inflation on the course's finances was considered, and the Finance Director expressed confidence in meeting recruitment targets.
- **Course Design and Delivery:** The Committee discussed the unique structure of the course and the importance of timing, ensuring its launch before similar offerings emerge elsewhere. Concerns were raised about potential impacts on existing courses, but the Principal reassured the Committee that the new course was designed to complement and enhance the current curriculum.
- **Staffing and Resources:** The Committee emphasised the need for a robust staffing plan, particularly in light of potential staff turnover. The importance of securing appropriate resources, including workshop facilities, was also highlighted.
- **Student Recruitment and Retention:** The Committee discussed strategies for attracting and retaining students, and potential partnerships with local institutions.
- **Fee Structure and Financial Sustainability:** The Committee debated the optimal fee structure for the course, balancing affordability with the need to generate sufficient revenue. The potential for increased fees was discussed, but concerns were raised about competitiveness.

The Committee expressed overall support for the new course, recognising its potential to enhance the College's reputation and attract high-quality students. However, they stressed the importance of careful planning and monitoring to ensure its long-term success. The Committee approved the proposal and agreed that the Board should be updated in December.

7. Estates and Operations

a. Capital Projects (*to approve major projects*)

The FD provided a summary of the roof tender and transformer tender received, outlining the costs associated with the replacement. The committee was briefed on what the costs cover, and the FD clarified that the roof replacement would meet current regulations which exceed the previous levels of roof installation. A committee member raised the importance of complying with health and safety regulations including CDM and who was the Principal Designer for the projects. The FD explained that the roofs were not graded in the DfE condition survey but had pictures taken of them as part of the survey. Capital grants were restricted to the Folly Lane site. There was some discussion regarding the role of the principal designer and health and safety considerations, as well as a slight discrepancy in the transformer gross figures. The committee approved the proposal, subject to clarification of the figures.

ACTION: FD to complete the following:

- i. to confirm the identity of the principal designer; and
- ii. to send email to governors to confirm the updated figures.

b. Energy and resource efficiency report

The Principal presented the report highlighting concerns about potential energy cost increases and thanked the Committee members for their input. The committee discussed strategies to mitigate these costs. One suggestion was to install a dedicated meter to accurately monitor energy consumption. Additionally, exploring energy-saving measures such as LED lighting and boiler optimisation was discussed. The committee also considered the potential benefits of using HCA's own staff for energy efficiency projects. The feasibility and cost-effectiveness of secondary electrical metering were also discussed, with governors highlighting the potential complexities and costs involved. The Finance Director confirmed that no immediate decisions were necessary and that further investigation would be required to determine the most effective course of action.

c. IT and cybersecurity report

The FD outlined the planned implementation of CyberEssentials before the July 2025 deadline.

ACTION: The Principal to look into the IT equipment in the basement re. weather protection.

8. Annual Reports

a. Treasury Management Annual Report 2023/24

The FD highlighted this was a requirement from the Treasury Management Policy and confirmed that there were no changes. The Committee agreed for the report to be presented to the board.

b. HCA People Annual Report 2023/24

The Principal presented a report on staffing levels, highlighting a small increase in staff. This increase was attributed to a rise in students with health and care plans, necessitating more Learning Support Assistants. The Principal also noted an increase in staff sickness and turnover, particularly due to commuting challenges.

The report also included a breakdown of staff diversity. A committee member inquired about the collection of EDI data, and the Principal stated they would follow-up on this. A committee member raised the importance of monitoring staff-to-student ratios as a financial indicator. The Principal provided an update on changes to trade union representation and outlined plans for increased staff development and data collection.

ACTION: Principal to follow-up on how EDI data is collected for HCA staff.

9. Updates: Health & Safety

It was noted that the previous meeting had covered the annual report. The Principal provided an update on a student accident and mentioned that an external expert would be brought in to analyse the workshops. A committee member emphasised the need for a process to assess and improve health and safety (H&S) in workshops, including enhancing the quality of risk assessments. The need for better data on basic H&S incidents, such as trips and spills, was raised, with a full review to be carried out termly, including student awareness initiatives. Committee members noted that improvements were being made and highlighted the importance of ensuring first aid boxes are available for trips.

10. Policies, and procedures for approval

a. Staff Grievance Procedure

The Principal highlighted that the main update involved the introduction of external mediation guidance, which was in line with ACAS guidelines. A committee member noted that the involvement of an external mediator might make the process appear more formal, but suggested that it should be emphasised that the process remains informal.

ACTION: Principal to update procedure to specify that the Principal decides on who the appeals manager is.

b. Recruitment, Selection and Appointment of Staff Policy

The Principal stated that the amendments were minimal, primarily focusing on updating and aligning the terms.

c. Family Friendly Policy

The Principal highlighted that the key change was the decision to make flexible working a standalone policy.

d. Flexible Working Policy

The Principal introduced the topic by highlighting the importance of having staff on-site as it is a small campus. A Committee member emphasised the value that part-time staff bring to the institution, particularly as they are practitioners in their fields.

The committee approved all of the above policies and procedures.

11. Close of Business and Date of Next Meeting

With no further business to discuss, the Chair adjourned the meeting at 19:15 PM. The next meeting is scheduled for Monday 10th February 2025, at 4:30 PM.