

Minutes of the meeting of the Virtual Finance and General purposes Committee held on Tuesday 20 June at 4.30pm

Present:	Melinda Stacey	Board Chair and Committee Chair
	Stephen Wells	External Governor
	Richard Bevan	External Governor
	Sean Mackney	Principal and CEO

In attendance:	Bill Blythe	Vice Principal Finance, Resources & Regional Affairs
	Jason Jones	Deputy Principal Education and Learners.
	Sheena Murphy-Collett	Vice-Principal for Human Resources, People and Organisational Development
	Joanna Boardman	Governance Advisor and Head of Executive Office

- 1. Apologies for Absence**

It was noted that Neil Tanton had reached the end of their term and Val Parsons would be taking on the role moving forward.

David Chalmers did not attend the meeting.
- 2. Declaration of Interests**

No declarations of pecuniary or non-pecuniary interests were made in respect of the items on the agenda.
- 3. Confidential Items**

One item was noted as confidential and was shown as such on the agenda
- 4. Matters Arising**

No matters arising
- 5. Matters Brought Forward by the Chair**

No business was brought forward by the Chair.
- 6. Minutes and Actions**

The minutes were approved as written.
- 7. Papers**

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7.1 Employer Engagement Strategy (approve)

22FGP28

The paper was taken as read with the committee stating it was good overall, although warned against a potential drift at the end into an operational plan.

It was asked if more could be included around links to the climate issues especially with the college direction and direction. The college agreed and whilst it was noted that the issues were discussed and regarded internally that more could be added when discussing services and collaboration work.

The committee also led a discussion on accountability for the delivery of the strategy and ways in which staff would engage with the aims. Options included adding an element into college Job Descriptions, using the Professional Development Review system, adding strengthened statements into the overall strategy and vision and corporate objectives.

The option of adding to Job Descriptions of a specific clause was not taken up, due to the complexity and resulting discussions that would slow the process and was thought to not be the appropriate way forward. It was noted though that the PDR could easily form a basis for stronger promotion of staff engagement and that the corporate objectives could have a 'if called upon' clause added around employer engagement.

It was also shared that the college is moving to a new Customer Relationship Management (CRM) Database, which would support staff, but also allow for promoting and monitoring the engagement levels, by providing a 'full loop' system for reporting. The project seeks to be initially up and running by mid-autumn 2023. Flooding the system with the full learner database was noted as the slowest technical aspect.

The Strategy was approved.

7.2 Month 9 Management Accounts (review)

22FGP29

The paper was taken as read with the Vice-Principal (VP) Finance, Resources and Regional Affairs speaking to key aspects. It was shared that the college was continuing to experience a period of tight finances and strain

It was noted that the college was continuing to closely track movement in Adult education and Apprenticeship income but would flag a risk on both of those budget lines in not meeting expected budget targets.

The committee noted an update that the modest pay award was still included in the profiling although at this stage no Union agreement or answer had been received so the allocation date of the money was not confirmed.

Provision for a claw back on Adult Education funding and restructuring costs were also noted as lines that may change.

The VP confirmed that conversations with Barclays regarding the college covenants had occurred, more of this would be taken to the Audit Committee and then Full Board in July. Approval of an amendment to this document was

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requested following this conversation around the recording of capital spend deduction

The Committee Approved the amendment

The Committee asked for the college's opinion on both what the key actions were for the remainder of this year to show greater confidence in meeting the financial needs and how the Executive felt about the success or progress of the Sustain and Grow Transformation Plan.

Regarding the confidence element the college shared concerns around the 16-18 application trajectory and the impact that would be felt on subsequent years but confirmed that growth was being investigated in areas that would have a more immediate financial impact as it would not be subject to lagged payments. It was also acknowledged that the first few weeks of the next academic year would be critical in conversion and early retention of learners as well as identifying courses which result in zero or very small numbers and making decisions on that provision.

The Sustain and Grow Programme would be discussed in fuller terms at the next Strategic Review Committee (SRC) on 11 July 2023, however it was discussed that there were elements of the programme which had not delivered against expectations and that this is under review already to identify actions and impact as well as next steps.

The Committee noted the accounts and the discussion

7.3 Sub-Contractor Activity Annual report*

22FGP30

The report was noted as received under starred items

7.4 Financial Regulations (review)

22FGP31

The regulations were noted as submitted with the updates shown and a reflection on the Office for National Statistics reclassification changes which have been discussed previously with Board.

The Regulations were noted as fully reviewed and agreed by the committee.

7.5 Draft Budget and Financial Forecasts (approve)

22FGP32

It was acknowledged that some discussion had already occurred through the Month 9 accounts item, although the seriousness of the challenging environment that the education sector is facing was further discussed. The large amount of political uncertainty, staff pay awards and potential union action.

The lack of additional funding from government agencies for the college sector was discussed as having a significant impact on the ability to recruit and retain staff when both schools and universities can offer greater levels of pay.

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It was discussed that there would be a likely Phase II for Sustain and Grow which would have to closely monitor phased activity. The range of audiences for the financial forecasts was talked through with a note that these statements should provide assurance to the Banks, Education Sector Funding Agency, Department for Education, and the Further Education Commissioner. The ability to prove that the college is a Going concern was noted as critical as well as the ability to meet all the financial covenants.

The college talked through the application trends, areas of concern (Adult Education, Apprenticeships, and the flattening of 18-18 applications) and where improvements are seen.

The committee asked if the current forecast was optimistic or pessimistic or somewhere between and the issues with being too optimistic if that was the case. It was shared that some challenging stretch targets did form part of the profile and that had been based on the positive application profile that was being seen six weeks previously. The profile had changed recently which would need more detailed investigation.

The committee shared its concern at a more positive model being shared here, which may not be achievable based on the challenges being discussed. It asked for some scenario planning to be undertaken for the worst case and the optimistic view to be brought to the next meeting of the Strategic Review Committee for a deep dive exercise. An update on the Sustain and Grow Programmes was also asked for at the same meeting.

Action: College to provide Sustain and Grow update and Financial Scenarios to facilitate a deep dive at the next SRC meeting on 11 July 2023.

7.6 Project Performance Report* **22FGP33**

The report was noted as received under starred items

7.7 Digital Strategy Update (note) **22FGP34**

The Vice-Principal shared that the restructure had been completed and whilst there are some vacancies to fill, the college continued to leverage its partnership with Integy to ensure that business needs would be met. The role for Head of Digital had been appointed to with the applicant due to start in September 2023.

It was reported that the college would be strengthening its focus in cyber from 1 August 2023 with enhanced training and testing using a business continuity approach looking at managing the recovery post any incident.

The update was noted

7.8 Annual Health and Safety Report (note) **22FGP35**

The paper was taken as read with comments and requests from the committee as below.

- Detail on 'other' categories was asked for
- Information of why 'slips, trips and falls' has increased by 25% year on year

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- More detail in general within the report that may be discussed at a college committee level, but would be useful for discussion at board level
- It was queried why incidents record as higher than near miss as it would be expected to be the reverse. Near misses as higher would be seen as more positive
- Other statutory items to report on such as 'asbestos' etc need to be included

The report was noted

7.9 Termly Spring HR Report (recommend) 22FGP36

It was reported by the college that the most recent benchmarking data available to support the report is from 2021 (external so a severe lag in the ability to compare practice was noted.

In conversation with other the sense is that other colleges have larger numbers reporting stress related issues than Petroc.

The report was recommended to full Board

8. Policies (to recommend)

8.1 Subcontracting Fees and Charges and Supply Chain 22FGP37

One change was noted in NHS staff delivery in direct subcontract

Policy was approved

8.2 Health and Safety 22FGP38

Taken as read, and approved

8.3 Energy 2023 proposal* (approved by Chairs action) 22FGP39

Noted as approved via chair action between meetings due to time constraints

Confidential Item

9. Estates Strategy Update 22FGP40

Minutes recorded as confidential

Action Plan

Action No	Action	Completion Date	Owner	Status
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1	Present a selection of business planning scenarios to the next Strategic Review Committee	11 July 2023	Sean Mackney	
2	Present an update to the Sustain and Grow Programme to the next Strategic Review Committee	11 July 2023	Sean Mackney	
3	Changes to Health and Safety Reporting Requested	1 July 2024	Sheena Murphy-Collett	

Meeting ended at 18:30pm

Date of next meeting – TBC