

Meeting of the Finance and Resources Committee

Venue: via TEAMS
Date: 6 October 2021
Time: 4.00pm – 5.52pm

Present: Colin Seccombe (in the Chair)
 Martin Hottass
 Donya Urwin
 Andy Walton
 Lindsey Whiterod

Apologies: Malcolm Grady

In Attendance: Neil Longstaff (Director of Governance)
 Catherine Donnelly (Executive Director of HR)
 Jane Cuthbertson (Chief Finance Officer)
 Steve Chittenden (Finance Manager)
 Lorna Lister (Clerk)

ITEM	ISSUES	ACTION
1.	<p>Apologies for Absence</p> <p>The Committee approved apologies for absence received from Malcolm Grady after having first considered the reason for his absence.</p>	
2.	<p>Declarations of Interest</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
3.	<p>Minutes</p> <p>The minutes of the meeting held on 2 July 2021 were approved and to be signed by the Chair.</p> <p>Matters Arising not covered on the agenda</p> <p>All actions completed.</p>	
4.	<p>Committee Workplan 2021-22</p> <p>The Committee Workplan for the Finance and Resources Committee for the forthcoming year was presented for information and review.</p> <p>Resolved: That the Committee Workplan 2021-22 is received and accepted.</p>	
5.	<p>Review of Committee Performance against TOR</p> <p>The purpose of the report was to provide governors with details of the performance of the Finance and Resources Committee during 2020-21.</p> <p>Members of the Committee (2020-21) had been asked to complete an online survey to</p>	

	<p>review the Finance and Resources Committee's performance during the previous financial year. There were no areas identified as being either ineffective or less than satisfactory. It was reported that overall governors graded the committee's performance as 'Very Good'.</p> <p>A copy of the survey was to be posted on Meetingsquared for information purposes only.</p> <p>Resolved: That the report is received and acknowledged.</p>	NL
6.	<p>Chair's Urgent Actions</p> <p>The purpose of this report was to inform the Committee the occasions where the Chair of the Committee (or in his absence the Vice-Chair) had exercised urgent action since the previous meeting.</p> <p><u>Procurement of Agency for SEND Support Staff:</u></p> <p>The Vice-Chair, in the absence of the Chair, considered a report from Tamara Stephenson (Head of Student Services and SEN) requesting Chair's Action (F&R Committee - in light of value) regarding the tender process for a single recruitment agency to provide Learning Support staff.</p> <p>The views of the Chief Finance Officer and Procurement Manager had been sought when finalising this paper.</p> <p>Resolved: That the Committee agree to receive the report and endorse the Vice-Chair's Urgent Action on proviso the £400k spend is monitored and the committee are informed of any movement required.</p>	
7.	<p>Update on the Forecast Partnership Activity 2021/22</p> <p>Confidential item</p>	
8.	<p>Report from the Executive Director of HR</p> <p>Confidential item</p>	
9.	<p>Human Resources Action Plan 2021/22</p> <p>Confidential item</p>	
10.	<p>Redundancy and Restructure Process</p> <p>The purpose of the report was to satisfy the committee the process involved in identifying key contracts that were highlighted for redundancy were followed.</p> <p>Since 2010 there had been a move towards more cost-effective business support contracts for some front facing posts.</p> <p>There were 2 distinct processes for reviewing staffing:</p> <ul style="list-style-type: none"> • For teaching staff, the process began in December and started with the curriculum planning (CP) process. The CP process was complex and detailed and had several stages where it was reviewed and scrutinised in detail. • For Business Support staff the process was dealt with at a department level. This could take place at any time throughout the year, although it was usually done to coincide with the CP process. <p>The college benchmarked against other local colleges and had used benchmark tools from</p>	

	<p>Tribal Education in the past. The process of review across the college was coordinated and managed by SEG. The process was designed to be rigorous and to ensure that the college workforce met the College objectives.</p> <p>It was noted that the governor who enquired around voluntary and compulsory redundancy was not present at the meeting, CD explained that she was willing to discuss the process directly with the governor, if required.</p> <p>Resolved: That the committee agree the report acknowledging the information presented.</p> <p>CD left the meeting AW left the meeting</p>	
<p>11.</p>	<p>Annual Report on Estates</p> <p>The purpose of the report was to inform the governors of the major Estates projects and developments</p> <p>The following was highlighted to governors:</p> <ul style="list-style-type: none"> • Summary of planned maintenance works completed over the summer period. • In August 2020 the College was awarded a capital grant from the DfE, spend was completed by 30th September 2021, a summary was included for information. • Due to the two new bids for relocation of premises focus had been on essential maintenance and Health and Safety. <p>The Chair asked with the pressure on spend was there any critical work needed that hadn't been completed? JC explained all essential health and safety work had been completed but it had been difficult obtaining quotes, figures and lead times.</p> <p>It was noted that immediately prior to the committee meeting there had been an Estates strategy meeting as two bids were being written which were due for completion at the end of the week.</p> <p>There had been some expenses highlighted that had not been expected particularly south of the river, so monitoring was key. The committee was to be kept up to date if the bids were successful. Key dates for potential outcome were:</p> <ul style="list-style-type: none"> • Levelling Up fund – 27/10/21 • DfE Bid – Jan/Feb 2022 <p>A governor asked was there a plan B? JC stated that the DfE fund had two opportunities for application and was hopeful that one of those bids would be successful as there was a second opportunity with the DfE to re-submit a revised bid as feedback would have been given on ways to improve the bid.</p> <p>Resolved: That the committee accept the report acknowledging the information provided.</p>	
<p>12.</p>	<p>Annual Review on Financial Regulations</p> <p>The purpose of the report was to inform the committee of the reviewed changes of the financial regulations and be presented to the college Board for adoption.</p> <p>The regulations were available for the governors prior to the meeting and the areas shaded in blue were suggested to be incorporated into the regulations, areas shaded red were suggested to be removed from the regulations.</p>	

	<p>It was briefly discussed that it was mainly about job titles being corrected and to further enhance certain areas of finance. It was noted by the Chair that the review was strengthening of financial procedures following the introduction of a Procurement Manager therefore was comfortable with approving the document.</p> <p>Resolved: That the committee agree the changes acknowledging the information provided and recommend adoption by the Board.</p>	JC
<p>13. Management Accounts</p>	<p>Confidential item</p>	
<p>14. Learner Recruitment and Funding Update 2021-22</p>	<p>Confidential item</p>	
<p>15. Bad Debt Provision and Annual Write Off of Bad Debts</p>	<p>Confidential item</p>	
<p>16. Approval of Contracts and Planned Expenditure in Excess of £125k</p>	<p>Confidential item</p>	
<p>17. Insurance Update</p>	<p>SC left the meeting</p> <p>The purpose of the report was to provide governors with an update regarding Insurance.</p> <p>JC gave background information to the situation within the report for governors' consideration highlighting the following:</p> <ul style="list-style-type: none"> • In 2018 a tender took place for insurance services including brokerage and providers and the College entered a 3-year (plus optional 2) contract with Arthur J. Gallagher & Co. (Gallagher) acting as insurance brokers and Zurich Municipal (ZM) as insurers for the main commercial combined insurance (which accounts for over 50% of the overall cost). As the contract was approaching three years old the College needed to decide whether to exercise the 2-year extension option of the original contract. • A review was undertaken of FE Protect Limited (FE Protect) who were prominent in the FE sector and specialise in insurance for the FE sector and a benchmarking exercise took place to understand the College current insurance in terms of best value and adequacy. Two key points were established: <ul style="list-style-type: none"> i. Savings could be achieved on the main commercial combined policy with ZM with the potential to be 25%. However, FE protect did not have full access to College insurance information and could only offer this saving as a guide. ii. The College did not appear to have a Building Insurance Reinstatement Cost Assessment (RCA). The RCA was essential to ensure buildings were insured at the correct level and should have been provided to Gallagher/ZM ideally during the initial tender exercise. <p>The exercise provided enough information to challenge current brokers Gallaghers and ZM based on cost and the accuracy of the information they were basing the commercial combined policy on.</p> <p>An initial meeting with Gallagher/ZM was held where it was apparent that they were keen to simply renew on the same basis as before but this was challenged by the Procurement</p>	

and Contracts Manager and further discussions took place to negotiate on terms/costs. It was established that Gallagher/ZM did not have the RCA and had based the commercial combined, main insurance, on a total sum figure supplied by the College.

The report was located and sent to Gallagher who identified that the College was under insured.

As the college was under insured this would have had a significant impact with the likely result being that any claim relating to this would have been paid at only 50% of the total claim. This has been addressed with the level of insurance increased until the renewal date of 1 October. A cost has not been charged for this to cover the interim period.

The RCA had been sense checked and verified as adequate for insurance purposes by an independent source in conjunction with FE Protect. The RCA was being renewed and updated to reflect current sites and costs.

Further discussions were held with Gallagher and it had been confirmed that the college would receive a 15% discount on insurance rates for the commercial combined policy and this would be for a one-year period only. The option to extend for a further 1 year following this would also still be available.

JC outlined the next steps i.e.:

- The contract was being extended for a period of one year on the terms noted above.
- Further work would be completed with Gallagher to understand our other insurances' adequacy.
- The College would consider re-tendering next year to ensure the best possible brokerage was in place alongside competitive insurance cost.

LWh explained to the committee that a former governor, who was an insurance specialist, was utilised for his knowledge and skills when tendering for the insurance, so it came as surprise when the highlighted anomalies came to light.

The Chair stated it was a wholly unacceptable position to be in. Could the broker be held accountable at all? JC stated it was difficult to say as the person involved no longer worked for the college, so it was hard to determine whether the broker asked for a document or did we as a college not provide a document, it was as unknown.

It was recommended by a governor that perhaps this issue needed to be presented to a governance committee? The Chair disagreed as the college had followed the correct process by asking a specialist for assistance. It was noted by the Chair that a clear commercial business relationship must be upheld and 'friends' not utilised in the process. For the purposes of the committee LWh stressed that the governor in question did not receive any work or remuneration for the support but had knowledge of insurance and had suggested he lead the task group.

It was agreed that when the college goes through the tender process again for next year then the current insurer not be given the opportunity to tender based on the information received.

Resolved: That the committee accept the report and acknowledge the information as provided.

18. Any other business

A governor highlighted that the data and the details provided by the finance team were most improved and appreciated the significant amount of work that had undertaken.

<p>19.</p>	<p>Date and time of next meeting</p> <p>Wednesday 24th November 2021 at 4.00pm</p> <p>JC left the meeting</p>	
<p>20.</p>	<p>Re-designation of Senior Post Holder role and salary CEO</p> <p>Restricted Confidential item</p>	
<p>21.</p>	<p>Identification of confidential items</p> <ul style="list-style-type: none"> • Item 7 - Update on Partnerships • Item 8 - Report from HR Executive Director • Item 9 - Human Resources Action Plan 2021-22 • Item 13 - Management Accounts • Item 14 - Learner Recruitment 21/22 • Item 15 - Bad Debt Provision 20/21 • Item 16 - Approval of Contracts and Planned Expenditure in Excess of £125k <p>Restricted Confidential items</p> <ul style="list-style-type: none"> • Item 20 - Re-designation of Senior Post Holder role and salary CEO 	

Signed: **Date:**