



**BRIGHTON HOVE & SUSSEX SIXTH FORM COLLEGE
MINUTES OF THE RESOURCES COMMITTEE HELD ON
TUESDAY 25TH FEBRUARY 2020
IN ROOM 413/414
(meeting brought forward from 9th March 2020)**

Present: William Baldwin (Principal), Julia Holgate Turner (Governor – Support Staff), Chris Newson (Governor), Marcus Palmer, (Governor), Neil Perry (Vice-Chair of Governors and Chair of Audit Committee), Sandra Prail (Chair of Governors), Mark Snape (co-opted Committee Member).

In the absence of Tom Wolfenden as Chair of the Resources Committee, Marcus Palmer agreed to take the Chair which was endorsed by the Committee.

In attendance: Corporation Members (not on Resources Committee): Jo Davis (Governor), Ben Franklin (Governor – Student), Gillian Hampden-Thompson (Governor), Julia Holgate Turner (Governor – Support Staff), Neil Jones (Governor – Teaching Staff), Mick McLean (Governor), John MacLeod (Governor – Student), Lynn O’Meara (Governor), Jo Redfern (Governor).

James Moncrieff (Deputy Principal), Jutta Knapp (Assistant Principal), Alison Cousens (Assistant Principal), Louise Pennington (Governance Director/Clerk)

NOTE: FOR EASE OF REFERENCE QUESTIONS AND COMMENTS FROM GOVERNORS HAVE BEEN INCLUDED IN BOLD ITALICS

SECTION 1: ROUTINE AND STANDING ITEMS

1.1 Apologies for Absence and Welcomes

Apologies: Tom Wolfenden

1.2 Minutes of the Meeting Held on 25th November 2019

The minutes were approved and the Chair was authorised to sign them.

1.3 Matters Arising

The contents of the actions’ schedule were noted and Louise Pennington agreed to revise this for the next meeting.

Jutta Knapp gave an update on the progression of the claim involving a member of staff.

1.4 Declaration of Interests – None

SECTION 2: HR AND RELATED MATTERS

2.1 Termly Update on HR Issues

Jutta Knapp gave an update on HR issues including the following:

- Currently there are 4 long term Staff absences which are not worked-related stress.
- Wellness action plans and stress assessment have been introduced for Staff to better manage potential stress at work and reference was made to the associated risk listed in the risk register; feedback from some Staff has shown that this process has been useful.
- Teachers’ Strikes – to date there have been 4 one day strikes, with a further 2 one day strikes scheduled for 27th February and 10th March.

- Nationally negotiations on Staff pay between SFCA representatives and the Unions: William Baldwin advised that a meeting had been held yesterday and the outcome from this is awaited. To date the 1.25% pay rise has been rejected by the Unions who are demanding 3.25%. The situation remains difficult owing to the fact that Schools and Sixth Form Academies have received part Government funded pay award of up to 2.75% for this year, whilst the SFC sector has not been offered funding to cover any pay rise agreed. He explained that any figure over 1.5% would be significantly unaffordable for most Colleges this year. If the on-going pay issues are not resolved satisfactorily soon, then this is likely to have an impact on SFCs' recruitment, if they are unable to compete with Schools. As reported previously, a 2 year pay offer may be the solution.

SECTION 3: RESOURCES AND RELATED MATTERS

3.1 Integrated Financial Model for Colleges (IFMC)

PAPERS: a) IFMC Front Sheet b) IFMC Commentary c) IFMC Document

Jutta Knapp introduced the documents, referenced the above papers and answered questions from Governors:

- Some of the problems associated with the new ESFA return were highlighted, noting that 6 versions had been issued, with errors remaining in the latest version, due for completion and submission by 28th February.
- The single return replaces several previous returns and has to be submitted earlier in the year which means that the budget figures for next year is not yet final as the funding allocation has not yet been received (budget/forecast historically approved annually in June). A 2 year financial forecast has also been incorporated into the return.
- The document provides the predicted outcome for the current year – as per the management accounts.
- The commentary document b) above, details the key issues and includes various explanations and supporting information.
- Governors are being asked to approve the return with the budget figures and forecast for the next 2 years.
- Even at this late stage, many Colleges continue to experience problems with making entries into the lengthy new document.
- The outturn for the current year is very close to the figure in the management accounts, except the bank interest is not accurate in the former.
- Next year the budget includes a 3% allocation in respect of the overall Staff pay rise (2% for the following year), although the funding allocation remains unknown at this point, but is expected to be issued by the funding agency next month.
- It's also not known whether the College will receive a CIF (Condition Improvement Fund) capital bid; likely outcome will be known in April 2020. If the CIF bid is unsuccessful the College will not be able to proceed with some planned works.
- Taking into account the above, the final draft budget may well change.
- The budget for next year will return the College to a "good" financial health, following the current year's "requires improvement".
- Despite the funding increase for 2020/2021, the College would be unable to carry out additional works, without the CIF bid, but also would be limited in increasing staff capacity, despite increasing Student numbers and this may create Staff work load issues. The pressure on SFCs to balance budgets continues, even with the small increase in funding and also limits much needed premises developments.
- The analysis shows that the College will meet its financial targets and have a predicted small surplus too, with cash in hand.

QUESTIONS FROM GOVERNORS INCLUDING THOSE E MAILED BY THE CHAIR OF GOVERNORS PRIOR TO THE MEETING REGARDING THE IFMC AND THE NEW BUILDING:

- 1) ***Clarification of the Loan agreement for new building?*** The college is increasing its bank borrowing via a new secured loan agreement, to cater for the new building. To meet the Bank's terms and conditions for the new loan, the process to be followed is the same as if the College is selling the property, including searches completed by the College's solicitor, instructing the bank to appoint a surveyor to value the property etc. Jutta Knapp advised that the aim would be to have all the information finalised for the Bank by next week.



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- 2) Impact of assumption in respect of the 20/21 funding rates –there is no certainty that the funding increase for 20/21 will continue to be offered for future years. However Colleges have been advised by the AoC and SFCA that increased funding is very likely to continue, so Colleges should budget accordingly. The final decision will be announcement in the CSR (Comprehensive Spending Review), with the sector representatives continuing to lobby Parliament on Colleges' behalf.
- 3) Cash in hand in March and April 2021 is low and is below our target - Jutta Knapp explained that the College's monthly funding profile varied month by month, the lowest funded allocation being received in March and April; the March allocation is 5% whilst the September allocation is 12.6%, hence in March the College's cash days reduce, but return to a more healthy position later in the academic year. SFCs have lobbied for years to get receive a flat 1/12 funding per month over the year, but the ESFA will not accommodate this. Governors need to be aware of the cash in hand profile and be aware of the risk.
- 4) ***In response to queries from both Sandra Prail and Jo Redfern, SFCA webinar indicated that 2017/2018 staff cost to income ratio was 71% which doesn't compare with the ESFA information as presented in its dashboard being 74%.*** It was noted that the data utilised in the webinar was presented by RSM, and it was suggested that this may have been their error.
- 5) ***In response to a question about risk relating to staffing capacity, the Principal reported on the historical funding issues and consequential impact on Staffing and workload pressure etc.*** Once the funding allocation has been reported, SMT will review the Staffing needs and associated budget to determine how best to allocate funding where there have been requests for additional capacity, with the aim that the more urgent requests, could be accommodated. At this point the various urgent Staffing needs were discussed including guidance, particularly Safeguarding and mental health issues, where the number of cases have increased significantly; the College is liaising with the Local Authority regarding this as Staff are inevitably spending time on non-teaching matters, more akin to social work. It was noted that this was a national issue and discussions were ongoing at a national level to determine how best to deal with the rise in Safeguarding and mental health issues. SMT explained that Curriculum areas were also under pressure owing to the larger Student cohort, but with a continued focus upon sustaining quality. Sandra Prail reported that she had led on a discussion on current good practice at Colleges in respect of mental health.
- 6) Governors suggested that in light of the continued difficult funding climate for the SFC, it may be worth discussing other income stream options at the Governors' Strategy event. **ACTION: William Baldwin/Sandra Prail**

Thanks were recorded to Jutta Knapp for completing the IFMC which it was acknowledged, had been a very difficult and time-consuming exercise for all Colleges. The Committee recommended the documents to Corporation for approval. **ACTION: Marcus Palmer/Jutta Knapp**

At this point it was resolved to suspend the meeting and for the Corporation Meeting to convene to review and approve the IFMC, after which the Resources Committee would be re-convened to complete the business of the meeting.

Once the Corporation meeting to approve the IFMC was completed, the Resources Committee was reconvened and non-Resources Committee members left the meeting at this point.

3.2 Management Accounts for the Six Months to 31st January 2020

Jutta Knapp introduced the management accounts which were noted by the Committee and the following points were recorded:

- ***In response to a question from Governors regarding the submission of figures to the ESFA in light of the College's financial health, Jutta Knapp explained that as required by the ESFA, this was done on a quarterly basis. After the latest quarterly accounts have been submitted to the ESFA, a meeting will be scheduled by the ESFA to discuss the figures with the College, if they think it's necessary.***

- ***Governors' queried the £74K long term Staff sickness figure and Jutta Knapp advised that this primarily related to 1 Member of staff who had been on long term sick leave for some time and that it was difficult to predict how far the costs would deteriorate.*** Jutta Knapp reported on other recent and current Staff sickness cases and also referred to the College's Absence Management policy and procedures. It was noted that nationally long term sickness had increased within the education sector nationally.

3.3 Premises Update – CONFIDENTIAL – refer separate minutes

SECTION 4: CONSENT AGENDA

POLICIES AND OTHER DOCUMENTS

4.1 College Development Plan Section 4 (Leadership and Management) – noted.

4.2 Risk Assurance – noted.

4.3 Policies - None

SECTION5: OTHER MATTERS

5.1 Any Other Business – None.

5.2 Date of Next Meeting – Monday 22nd June 2020

SECTION 6: CONFIDENTIAL BUSINESS

6.1 Confidential Minutes from Last Meeting 25th November 2019

The minutes were approved by the Committee and the Chair authorised to sign them.

6.2 Matters Arising

None

6.3 Any Other Business (Confidential Matters) - None.

Louise Pennington

Chair.....DATE.....