



USP College Corporation
Finance and Resources Committee

Minutes of the Meeting held on Tuesday 8 October 2024
Via MS Teams
Meeting commenced: 16.30hrs
Meeting ended: 18.00hrs

Present

Phillip Lennon	Independent Member	Chair
Paul Wakeling	Independent Member	
Louise Aitken	Independent Member	
Ben Akande	Independent Member	
Dan Pearson	Chief Executive	

In attendance

Steven Hendy	Chief Finance Officer (CFO)
Clare White	Principal
Jon Strutt	Director of Finance
Lorraine Stoten	Director of HR (DofHR) (item 6 only)

Clerk

Sue Glover	Clerk to the Corporation
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The Chair of the Committee took the opportunity to welcome the new Head of Finance to his first meeting of the Committee.

FRC.28.24 Declaration of Interest

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

There were no declarations of interest.

FRC.29.24 Apologies for absence

There were no apologies from Committee members, but the Executive Director, Estates Operations, had given apologies.

FRC.30.24 Unconfirmed minutes of the meeting held on 25 June 2024

The minutes of the meeting were approved and signed as a correct record.

FRC.31.24 Matters arising and action points from the minutes of the previous meeting

Members reviewed the action points arising from the meeting, noting the item that would be picked up under the HR report.

It was agreed that all other actions had been satisfactorily completed and that there were no other matters arising from the minutes of the previous meeting.

FRC.32.24 Termly Health and Safety Report

In the absence of the EDEO, the CFO presented a report to update members on the current Health and Safety position and activities at the College.

Members reviewed the detail of the report, noting:

- the number of accidents reported through the College's internal reporting system for the year to date;
- the College remains adequately covered with first aid trained personnel, however high levels of first aid calls at the Seevic campus are still being experienced;
- the security, fire alarm installations and firefighting equipment function correctly and have been tested and inspected throughout this period;
- all current project works are based at the Seevic campus and have been incident free

Members discussed the issues raised and, in response to questions, were advised that:

- new volunteers are being actively recruited to assist with First Aid duties
- there is a proposal being considered to triage calls from emergency to non-urgent to help support the increasing 'non-first aid' support calls
- there have been 3 accidents reported during the period; this time last year there were a total of 4, showing a slight decrease;

Members agreed that it would be helpful to distinguish emergency and non-urgent calls to help support the high volume of calls and find a way forward for students.

Agreed

The Finance and Resources Committee agreed to receive and note the report

FRC.33.24 Annual report on Human Resources – 2023/24

The DofHR presented for consideration and approval the annual report on Human Resources for 2023/24.

Members were advised that the report identifies key activities undertaken by the Human Resources function in relation to staff related matters during the academic year 1 September 2023 to 31 August 2024.

Members reviewed and discussed the report, noting details with regard to the many aspects of the staff profile and, in response to questions on issues raised, were advised that:

- there has been an increase in staff contracted to work cross campus, and the number of employees based solely at Palmers has decreased
- there were a lower number of leavers than in previous year
- there has been a decrease in the under 20s and between 30 and 40, but an increase in the over 61 age brackets. Other age bands remain changed
- staff with a declared medical condition has decreased each year and there has been an increase in staff who have declared learning difficulties but a decrease in mental health issues than in the previous year
- there has been a significant decline in total sick events and average days per employee sickness lost
- staff turnover for 2023/24 was 18.6% compared to previous year of 21%; a year-on-year comparison between 2022/23 and 2023/24 shows overall staff turnover reduced by 3.5%
- there were 30 vacant posts at the start of the year, against 36 in the previous year

- the HR team filled 100 roles in 2023/24, which included new roles, internal progression, maternity cover and resignations
- a total of 46 leavers had a length of service less than 3 years; a decrease from the previous year of 55
- the AoC found staff turnover was reported to be higher overall for staff in 2020/21 compared with 2019/20. It should be noted that data since 2020/21 has not been published by the AoC and benchmarking data in relation to the last AoC College Workforce Survey was conducted in the summer 2022. A suggestion was to look at general labour market data produced by the ONS to give any outside benchmarks
- there continues to be consistent good employee relations, demonstrated by the continuation of zero/a low level of employment tribunals, ACAS early conciliation and formal grievances

In discussion, members were pleased to note the initiatives in place for staff, for example Friday working from home, which has had an impact in making working at the college more attractive to staff. The DofHR reported that being proactive in tackling problems with staff before they get to any exit interview has been a contributing factor to reducing staff turnover and the focus is on staff retention and how to support them.

Members were advised that the Even Better Place to Work (EBP2W) platform for the employee engagement/staff survey had run a successful pilot, but the decision to implement would be revisited once the financial position following final student numbers is known.

The Committee commended the work by the College's HR team to support staff and the range of initiatives available to everyone. It was particularly pleasing that absence has significantly decreased and is below average. Members asked that thanks are passed to the HR team for their continuing hard work in supporting all staff.

Agreed

The Finance and Resources Committee agreed to accept and commend to the Corporation Board the annual report on Human Resources for 2023/24

FRC.34.24 Financial Reporting – Management Accounts to 31 July 2024

The CFO presented the management accounts to 31 July 2024.

Members were advised that:

- the final position is a £205k surplus, £8k below the revised budget surplus approved in March 2024 of £213k
- the year end cash position of £2,615k was an improvement due to delayed invoicing relating to the ongoing capital works
- net current assets of £1,027k at year end was better than forecast due to increased cash and trade debtors and a lower level of deferred capital
- the financial health for 2023/24 will be 'good'

Members reviewed the detail of the report, noting in particular:

- Financial KPI dashboard
- Financial performance tracker
- Income and Expenditure account
- 2-year cash flow forecast
- Balance Sheet
- Statement of cash flows
- Operational capital programme

- Analysis of significant year to date variances
- Major capital projects
- Analysis of curriculum & support area performance
- Financial Bank Loan Covenants

In discussion, members agreed that the year-end outcome position presented was a very pleasing one and recognised that this was the completion of a number of initiatives over the last few years. It was suggested that, for future years, the number of KPIs could be condensed into a more manageable number.

Ben Akande left the meeting

FRC.35.24 Financial Reporting – Financial update for October 2024

The CFO presented members with an update on key financial matters, which are in addition to the update provided in the July management accounts.

Members were updated on:

- Budget review for 2024/25
- Capital Projects
- Local Skills Improvement Funding (LSIF)
- Castlepoint office
- Land Sale update
- ESFA funding audit
- Office for Students (OfS) clawback
- Enrolment numbers for 2024/25

In considering the reforecast to the initial budget for 2024/25, members were advised that:

- A full budget review had been planned as usual for February 2025. However, given the potential impact of student recruitment generating an expected in-year funding claim and considering a number of accounting changes relating to staffing restructures and unplanned purchases, it has been decided to carry out a high-level review commencing end October 2024
- should the high-level review highlight any significant changes, these will be brought to the next Finance & Resources Committee in November; if not, this will be reported as part of the revised forecast outturn within the management accounts

Members were further updated on

- Capital projects
 - T levels wave 4 projects – Health, Science & Digital and Childcare & Early Years. These projects were completed in October 2023, but final account not been agreed due to main contractor going into administration
 - Medical & Sports Sciences new building – Seevic campus. The project was put back to 27 September as the main contractor had not achieved their deadline due to issues around procurement and installation of key items. The contractor has been issued with a non-completion notice. Future project valuations from the main contractor will be adjusted to reflect penalties for non-completion
 - T levels Wave 5 – Engineering. This has also been delayed by the same contractor and a non-completion notice issued

- Local Skills Improvement Funding (LSIF) – Theatre Project. This has been delayed by the same contractor and a non-compliance notice issued
- Library Project – Seevic campus. Funding for the project had been received from DfE and the renovation was completed in September 2024
- Additional office space has been leased at the Castlepoint Council Building due to capacity issues at the Seevic campus.. The lease has been agreed and we are waiting to exchange documents. The following teams will be moving to the Castlepoint offices
 - Human Resources
 - MIS
 - Marketing
 - Curriculum admin
 - Admissions
 - CPD
- Land Sale – exchange has now taken place and the £150k has been received by the College
- ESFA Funding Audit – this took place in September and the formal report is expected at the beginning of October. Current indications are there will be no matters relating to funding clawback; there are some management letter points which have been raised and which the College team are currently challenging. The report will be presented to the Risk and Audit Committee
- OfS Clawback – as previously reported, the OfS confirmed that clawback was due following a funding reconciliation. The total amount due to OfS was reported as £104,733. These funds have been accounted for within the year end accounts for 2023/24, and all funds paid back to the OfS in July 2024

Members raised the question concerning how the non-pay budget/predictions could be made more accurate in the light of the £300k adverse variance in non-pay costs. In response, members were advised that the non-pay had been linked to the LSIF funding received and the majority of the overspend relates to costs associated with that project, which had not been part of the budget. The CFO will work with the new Head of Finance to address the way the budget has been set up and profiled in the past.

Members discussed other issues raised in the report and, in response to questions, were advised that:

- Current indications are that 3,880 will be achieved, but has since been revised down to 3,849, which is still 180 more students than funded student number. Focus will be on T42 to ensure the number of withdrawals are minimised up to this census date
- if this increase in student numbers is confirmed, additional in-year funding for the total number of students recruited over 100 is expected to be claimed. A claim on current forecast is expected to be based on 80 additional students resulting in in-year funding claim of circa £380k
- with some of the capital projects not being completed on time, management had implemented contingency plans in order to minimise the impact of these delays on the teaching and learning of students

The Committee thanked the CFO for a comprehensive update on College matters and asked to be kept informed of progress on the various matters discussed, as appropriate. It was particularly pleasing to note that the land sale with Persimmon had at last achieved the first stage.

Agreed

The Finance and Resources Committee agreed to receive and note the:

- management accounts to 31 July 2024
- financial update for October 2024

FRC.36.24 College Insurance Cover

The CFO presented a report which gave an update on the current insurance arrangements for 2024/25 following the recent insurance review.

Members were advised that:

- the College has reviewed and updated its insurances for 2024/25
- the sector has seen an increase in premiums overall relating to inflation
- the increase in the renewal premium for 2024/25 has largely been impacted by increases to inflation, and education overall cover including additional space requirements

Members reviewed the summary of premiums for the year against the previous year, noting the increase in premium and agreed this was expected due to inflation. It was noted there was an additional fee to review Business Continuity Plan and to make appropriate recommendations.

Agreed

The Finance and Resources Committee agreed to receive and note the report.

FRC.37.24 Any Other Business

The CFO advised that the new Procurement Act has been deferred to February 2025. This will have a significant impact on the College with processes being changed. A summary report will be presented to both Finance and Resources and Risk and Audit Committees.

There were no other items of any other business.

FRC.38.24 Dates of scheduled meetings of the Finance and Resources Committee 2024/25

Tuesday 26 November 2024
Tuesday 11 March 2025
Tuesday 24 June 2025

SIGNED AS A CORRECT RECORD:



DATE: 26 November 2024