



**USP College Corporation  
Finance and Resources Committee**

**Minutes of the Meeting held on Tuesday 3 March 2020  
Seevic campus  
Meeting commenced: 16.00hrs  
Meeting ended: 18.15hrs**

**Present**

Phillip Lennon	Independent Member	Chair
Gordon Haines	Independent Member	
Ralph Henderson	Independent Member	
John Baker	Independent Member	
Dan Pearson	Principal & Chief Executive	

**In attendance**

Steven Hendy	Chief Operating Officer (COO)
Lorraine Stoten	Head of Human Resources (HofHR) (item 6 only)
Murray Higgs	Head of Estates & Facilities (HofE&F) (item 5 only)

**Clerk**

Sue Glover	Clerk to the Corporation
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**FRC.01.20 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.

Ralph Henderson advised that he is a Director of Rugby at Thurrock Rugby Club, President of William Edwards' Alumni and a member of the William Edwards' Trust.

John Baker advised that he is a partner with Glenny LLP and a Director of Dovetail Architects Ltd.

There were no other declarations of interest.

**FRC.02.20 Apologies for absence**

There were no apologies for absence.

**FRC.03.20 Unconfirmed minutes of the meeting held on 25 November 2019**

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

**FRC.04.20 Matters arising and action points from the minutes of the previous meeting**

Members reviewed the action points arising from the meeting, noting the items that would be dealt with under this agenda.

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

## **FRC.05.20 Termly Health and Safety Report**

The Head of Estates & Facilities (HofE&F) presented for consideration 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 end 2019 and to date
- the College remains adequately covered with first aid trained personnel, although more volunteers are still actively being recruited to train to ensure individuals are not overburdened with calls affecting their normal key operational duties
- the fire alarm installations and firefighting equipment function correctly and are tested and inspected regularly. Regular fire drills are conducted at both campuses
- statutory and service inspections have been carried out/completed, including
  - lift service
  - annual electrical testing for sports centre
  - annual PAT testing
- a low level Legionella count in the hot water tank at the Seevic campus in the north building was identified at the recent periodic testing. Further investigation has indicated this may be due to a pump on the system not performing correctly and engineers are attending to rectify the problem and a pasteurisation of the tank should remove the problem
- the update on the asbestos at Seevic
- building operations at both Seevic and Palmers

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

- further samples from the sports hall at Seevic have indicated there is still a problem with the water quality in the building; the disabled shower showed a count of Legionella that was unacceptable and the shower has been put beyond use until a full disinfection of the hot and cold supplies has taken place. The remainder of the campus showed no identified Legionella and only low level bacteria, which is within acceptable normal standards
- building works at both Seevic and Palmer's campuses have achieved practical completion; a significant amount of minor improvements have been underway for the last term, which have mostly been completed 'in house' with only minor recourse to contractor assistance
- there have been no RIDDOR reported accidents during the term
- the reduced number of accidents was most probably due to the mild winter and, specifically the lack of snow and ice

The Principal took the opportunity to update the Committee on the current arrangements in place at the College relating to the Coronavirus situation, advising that

- the College is following guidance from the Department of Education
- any suspected cases will be reported and advice will be taken as to whether to close if these are positive
- staff are being kept updated and there are regular updates on the College website
- this has been added as a headline risk to the College Risk Register which will be considered by the Risk and Audit Committee

The Committee agreed that there were appropriate measures in place for the College.

### **Agreed**

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

### **Murray Higgs left the meeting**

#### **FRC.06.20 Termly Human Resources Report**

The Head of Human Resources (HofHR) presented for consideration a report to update members on the Human Resources activities for the period 1 August to 19 December 2019.

The HofHR took the opportunity to inform the Committee that the Governor Safeguarding Lead had met with the HR team to review at random some staff files and had concluded that everything was in place as it should be.

Members reviewed the report, noting details with regard to the many aspects of the staff profile including

- Total number of staff by gender and job role
- Starters and leavers, including by category
- Short and long term sickness absence

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

- the level of sickness absence overall is strongly influenced by short term sickness; there are no significant issues with regard to long term sickness and the reporting is more accurate than in previous years
- there were no employee ACAS Early Conciliation cases or Employment Tribunals for the period
- there was a full consultation process applied to A levels, STEM (Palmer's), Business (Palmer's), HSC and EY (Palmer's) which all resulted in a zero risk/cost outcome to the College. The same process applied to Admissions (Palmer's) which resulted in a part time employee securing external alternative employment
- there is a total of one grievance, which remains ongoing
- due to staff resource within the HR team, the date for the new HR system has been rescheduled to April 2020
- the recent staff survey was sent to 439 respondents, with a 43% overall response rate, resulting in four key themes of
  - Workload
  - Leadership and management
  - Communication
  - Wellbeing (safeguarding and health)
- the Head of HR has set up the Wellbeing and Workload Group with the aim of identifying initiatives to improve these aspects for all staff

Members agreed that, overall, the outcome from the staff survey was very positive and good progress continues to be made by the College's HR function since the previous year. The Committee was informed that there are still some areas within the College into which it remains difficult to recruit and a special drive on recruitment into these areas is planned. Members asked if there has been any significant impact on utilising supply teachers and were advised that this had been predominately at Palmer's and the number of supply teachers was now in single numbers.

## **Agreed**

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

## **Lorraine Stoten left the meeting**

### **FRC.07.20 Financial Reporting – Management Accounts to January 2020**

The COO presented for consideration the management accounts to 31 January 2020.

Members were advised that

- the management accounts are now consolidated to include USP College and ITEC Learning Technologies and a new schedule has been added to report on the ITEC Apprenticeship position
- the Group is currently showing a YTD operating deficit before exceptional items of £188k (compared to a budgeted surplus of £54k), and an overall historic deficit of £208k (budgeted historic surplus £50k)
- the adverse variance is due mainly to ITEC Apprenticeships not meeting target due to ongoing learner queries that have delayed funding payments
- for apprenticeship income, there is in excess of £80k in query, which relates to learners that exist and who should be drawing down funding, but where they have enrolment errors, some of these are due to the switch from USP to ITEC and the need for the DAS system to be updated. Once these have been corrected, funding will be received in line with expectations
- ITEC is still predicting to come in on target for this apprenticeship income stream at the end of the year

Members reviewed the detail of the report, noting in particular

- financial KPI dashboard
- financial performance summary
- Income & Expenditure account
- summarised consolidated rolling year cash flow
- Balance Sheet
- Cash flow reconciliation
- analysis of significant year to date variances
- Capital programme performance summary
- ITEC Apprenticeship Provision
- College financial health

It was noted the cash position at the end of January is £983k of which USP College is £825k and ITEC Learning is £158k; however, ITEC owed USP College £145k at the end of January.

The Chair requested that future management accounts reported at the Operating Surplus/(Deficit) level (ie after Exceptional Items).

Members were advised that the bank have indicated that the College will likely be in breach of the Operational Leverage Covenant. The COO informed the Committee that his calculations indicate the College will not be in breach. Consequently, he has asked the bank for a comparison of their formula/calculations and for the College to be issued with a waiver letter if the likely breach is confirmed

In discussion, the Committee agreed that the biggest risk currently to the budget is the ITEC tuition income.

## **FRC.08.29 Financial Reporting – Financial Update March 2020**

The COO presented for consideration a report detailing the updates to key financial matters in addition to the latest Management Accounts already presented and discussed.

Members were advised that:

- as previously reported, cash held during January and April is at its lowest with an overdrawn position expected in March 2020
- the College has been successful in securing a bank overdraft facility with Barclays for £500k together with short term financial support from Whitehall Finance for a further £500k; the approach will be to utilise the bank overdraft initially and then Whitehall Finance should the need arise
- following a recent meeting with Barclays, they may be able to offer the College an opportunity to unlock deferred land proceeds, which may mean the College could accelerate the land sale proceeds rather than waiting for the deferred period to be paid and thus transferring counterparty risk to the bank. The bank has offered to present this option in more detail to the Board and it was agreed that this opportunity should be further explored and arrangements made for the bank to present to the Board at the March meeting
- forecast cash at the end of 2019/20 is £1.5m; although not a level that brings comfort to the College, this position will improve as we move into 2020/21
- the College is pursuing a soft tender approach to the land sale to establish the expected sale price of the land with planning permission
- the CEDTIL project is currently unaffordable and given the budget challenges now facing the College, the funding terms need to be re-negotiated to see if this can delay our element of match funding until 2020/21
- the Finance Strategy, Reserves Policy and updated Financial Regulations will be presented to the June meeting

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

- Glenny LLP have been appointed to manage the soft tender and Alan Gunn-Jones has been appointed as planning consultant. John Baker advised that he has no connection with those mentioned and, given that Glenny had been appointed before he joined the Board / Committee, it was agreed that this did not create any conflict of interest
- discussions have taken place with SELEP on the CEDTIL project with the proposal to now complete this project by March 2021

Members discussed the options available to the College on the CEDTIL project and agreed this should be further reviewed once the outcome of the response from SELEP is known.

### **Agreed**

The Finance and Resources Committee agreed to receive and note

- the January 2020 management accounts
- the financial update for March 2020

## **FRC.09.20 Integrated Financial Model for Colleges (IFMC)**

It was noted that the final version of the Integrated Financial Model for Colleges (IFMC) was submitted by the deadline of 28 February 2020. The IFMC had been reviewed and agreed by the Financial Strategy Group on behalf of the Board.

**FRC.10.20 Sublease to HARP (Hockey and Rugby Palmer's)**

The VP P,F&BP confirmed that the College's lease with the William Palmer College Educational Trust (the 'Trust') did have provision for sub-leases. The Trust have agreed to a sublease for HARP and this is currently being prepared and checked. It will be presented to the next meeting for information.

**FRC.11.20 Any Other Business**

The Chair of the Committee advised that the Board had asked the Committee to check the confidentiality agreement in place with Mark Silverman who had been retained by the College to deal with an Expression of Interest with another local college. The Committee reviewed the detail of the confidential agreement in place and agreed that this was satisfactory. This situation would be kept under review depending upon future developments with this Expression of Interest.

There were no items of any other business.

**FRC.12.20 Dates of scheduled meetings of the Finance and Resources Committee 2019/20**

Tuesday 23 June 2020, Palmers

All meetings commence at 4pm unless otherwise stated.

**SIGNED AS A CORRECT RECORD:**



**DATE: 23 June 2020**