



FINANCE, STAFFING AND GENERAL PURPOSES COMMITTEE

Minutes of Meeting on Tuesday 24 October 2017

Present: Mr S Holderness (Chair) Vice-Chair of Governors
Mr M Sim Principal
Mr H Solanki Parent Governor

In Attendance: Mr H Ravat Vice-Principal Resources
Mr R Mansfield Clerk

Ref.		Action
F/17/42	Item 1 – Apologies for Absence: Apologies for absence were received from James Bagley and Patsy Hamer (who had, in view of her impending appointment, been invited to attend as an observer). The meeting was declared quorate.	
F/17/43	Item 2 – Declaration of Interests in Agenda Items: There were no declarations of interest in agenda items.	
F/17/44	Item 3 – Minutes of Previous Meeting and Matters Arising: The minutes of the meeting on 15 June 2017 were accepted as an accurate record and were duly signed by Steve Holderness. The action stipulated had been taken. There were no matters arising that were not covered by agenda items.	
F/17/45	Item 4 – Estates Issues: <i>4.1 Estates Matters</i> Hamid Ravat presented a report on estates matters summarising actions taken over the summer recess. These related principally to the creation of more teaching space by way of a new laboratory and classrooms and more space for independent learning. A substantial number of “thin client” and other computers had also been replaced. Steve Holderness said that he had been pleased to see the extension to the mezzanine floor but had noted that no computers had yet been installed there. He sought assurances that OfSTED would not again find the College’s provision in this regard unsatisfactory. Hamid Ravat said he	

had received far fewer complaints in the current term from learners about independent learning facilities and that some spaces were for learners who had their own computers and mobile devices. Martin Sim outlined further opportunities to increase learning space at negligible cost. These opportunities would shortly be the subject of consultation. Steve Holderness then expressed concerns about possible OfSTED reaction to finding unutilised space. Martin Sim thought there should be no issue currently about the ratio of computers to learners. During OfSTED's recent monitoring visit he had received very positive comments about the College's facilities. There was however work to be done to achieve proper control over the Reflection Rooms. Lack of control was currently a significant risk. It was expected that some degree of monitoring, in line with established good practice at comparable facilities, would need to be introduced. Otherwise the College would have to consider closing these rooms.

Hamid Ravat then provided an overview of the planned maintenance for the current academic year. The College's estate remained in excellent condition.

The meeting received the report on estates issues.

4.2 Annual Health & Safety Report 2016/2017

Hamid Ravat presented the Annual Health & Safety Report for 2016/2017. The report showed a year-on-year increase in reported incidents. This was mainly attributable to a rise in health-related incidents, rather than accidents. The largest category of accidents was sports-related. There were no concerning trends. The report also covered first-aiders and first aid training (and provided an assurance that the College had sufficient trained first aiders); arrangements regarding the safety of minibuses; compliance with fire regulations; and specialist staff and the focus of their work during the year.

The meeting received the Annual Health & Safety Report.

F/17/46

Item 5 – Finance Issues:

5.1 Learner Numbers and Funding 2017/2018

Hamid Ravat presented the learner numbers and funding report. The report contained learner numbers that had yet to be validated by the first census. He anticipated that at the census the roll would be around 1,350 learners. Funding figures would be calculated after the census had been completed. As funding for the current year was based upon the roll in 2016/2017 (1,702 learners) the College could expect a reduction in funding for 2018/2019 of about £1.5 million. Martin Sim said that it would have been usual to see a fall of 25% in enrolments after a Grade 4 inspection. In fact the

intake of 16-year old learners had fallen by just 18%, at a time when there had been a local decline in learner numbers. He saw the College's intake as a positive indication. Most of the fall in the College's roll was caused by raising entry requirements in respect of achievement and behaviour. Significant improvements in learner attendance and behaviour were already apparent. The College was in a manageable position because it had recruited with integrity. It would however take time to return to a breakeven budget. During recent visits to schools he had received very positive feedback on the action the College was taking.

The meeting received the report.

5.2 Draft Management Accounts 2016/2017

Hamid Ravat presented the draft management accounts for 2016/2017. These showed a 'bottom line' surplus of £3.3 million, much influenced by the book surplus of over £4 million arising from the sale of the Blackbird Road land. However when this and other 'below the line' items were stripped out, there had been an underlying deficit of £383K (£70K worse than had been predicted in June 2017. This difference was attributable to higher costs of agency staff - £40K, higher examination costs - £10K, and the correction of a previous over-deduction of pay during the strike - £10K.)

Pay expenditure (excluding 'below the line' items) was £515K above budget, largely as a result of higher teaching staff pay and the costs of supply staff. The principal cause had been the fall in average class size. Additional expenditure had also resulted from overlapping pay costs for the post of Principal. Steve Holderness said that he wished to see evidence of remedial action in the current year's budget. Martin Sim said that Hamid Ravat had, quite properly in the circumstances, created a 'roll over' budget for the current year. It would be unusual practice to amend the budget in-year. Steve Holderness said that he nevertheless wanted to see a substantial in-year improvement in performance and a reduction in staffing costs to reflect the reduction in student numbers. Martin Sim said that the reduction needed to be managed gradually.

It was explained that the unbudgeted rise in examination costs had been exacerbated by poor management, with far too many late entries and late changes – for which there were higher fees, as well as the increase in learner numbers.

Martin Sim agreed that the continuing high adverse variance for supply staff showed that there had been inadequate provision in the budget. However there had not been a failure of operational control. He pointed out that the non-pay costs in teaching departments had been allowed to grow

uncontrolled for years, and now represented a large opportunity for cost saving.

Hamid Ravat advised the meeting that the balance sheet had been affected temporarily by the sale of the Blackbird Road land. Receipt of 60% of the proceeds had by agreement been delayed for a year. A consequent effect had been to reduce the current ratio to below 2.0, the level normally regarded as the minimum for a healthy institution. The Education & Skills Funding Agency (ESFA) had been informed and had expressed no concerns, given the circumstances.

Hamid Ravat explained that the College's year-end cash position was stronger than would have been expected, given the size of the deficit. This was because he had succeeded in recovering from the first tranche of the proceeds some £300K of disposal expenses incurred by the College in connection with the sale of the Blackbird Road site. Martin Sim congratulated Hamid Ravat on his handling of this matter, and recommended that stringent targets should in future be set for financial ratios and levels of surplus.

The meeting received the draft management accounts.

5.3 Financial Recovery Plan

Martin Sim highlighted adverse features of the College's current public profile. He believed that these would trigger further intervention by the ESFA in the near future. He presented a paper setting out the issues facing the College and a high level financial recovery plan. The College needed to achieve savings of about £1.5 million, ideally within a year, but more realistically over two years.

The Committee noted this report.

F/17/47

Item 6 – Human Resources Issues:

6.1 Staffing Update

Hamid Ravat presented the staffing update. There had been large numbers of both leavers and joiners. Staffing numbers were just under the FTE budget and should begin to reduce. Steve Holderness said he was surprised to see so many managers among the new starters. Hamid Ravat said that the number was balanced by those who had left, although the jobs had in many instances changed. Steve Holderness asked whether payroll costs had reduced. Hamid Ravat said that these were currently similar. Martin Sim advised that the reduction in payroll costs would be gradual. Hamid Ravat presented the sickness absence statistics. It was still early in the year. Sickness average was close to sector benchmarks.

The meeting received the staffing update.

F/17/48	Item 7 – Marketing Issues: There was nothing to report that was not covered under other items.
F/17/49	Item 8 – General Issues: 8.1 Strategic Plan 2017/2019 Martin Sim presented a short paper covering elements of a strategic plan for 2017/2019. These included mission, vision, values, strategic aims and a public value statement. The paper sought the Board's approval to commence internal consultations on mission, vision and values and approval of the public value statement. The Committee commended the paper to the Board.
	8.2 PREVENT Strategy 2017/2018 Martin Sim presented the PREVENT strategy for 2017/2018. He was asked to provide an assurance that the principal external agencies concerned endorsed the text of the strategy, and he undertook to do this. The Committee commended the PREVENT Strategy to the Board for approval, subject to receipt of the assurance requested.
	8.3 Governors' Expenses Policy Robert Mansfield presented the governors' expenses policy. He had amended outdated contextual references, but otherwise the policy was not materially changed. The Committee commended the governors' expenses policy to the Board for ratification.
	8.4 Whistle-blowing Policy Robert Mansfield presented the whistle-blowing policy. He had amended certain outdated contextual references – in particular the contact details for external agencies. Otherwise the policy had not been materially altered. The Committee commended the whistle-blowing policy to the Board for ratification.
	8.5 Bursary Discretionary Fund Policy Hamid Ravat presented the bursary discretionary fund policy. There had been negligible changes to official guidance and the policy had therefore not been materially changed. The Committee commended the bursary discretionary fund policy to the Board for ratification.
	8.6 Annual IT Security Report 2016/2017 Hamid Ravat presented the annual IT security report for the previous academic year. The report covered physical security, network access, network security, internet / email

MS

safety and other IT controls. He confirmed to Martin Sim that the College operated a disc mirror system. There had been no major untoward IT security issues during the year.

The Committee received the report.

F/17/50 Item 9 – Date and Time of next Meeting:

The date and time of the next meeting were confirmed as Tuesday 14 November 2017 at 5.30 p.m. at the College.

F/17/51 Item 10 – Any Other Business:

10.1 Catering Contract

Martin Sim advised the meeting that the catering contract with Midshire was due for renewal at the end of 2017. Midshire had expressed concerns at the fall in student numbers and the adverse impact on takings of the optimised timetable. Martin Sim said that it should not be assumed that renewal was automatic.

The meeting noted this report.

Consideration of the minute of the confidential session on 15 June 2017 is recorded as a confidential minute (F/17/52 (Conf.))