



FINANCE, STAFFING AND GENERAL PURPOSES COMMITTEE

Minutes of Meeting on Tuesday 14 November 2017

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

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

Ref.	Action
F/17/53	Item 1 – Apologies for Absence: There were no apologies for absence. The meeting was declared quorate.
F/17/54	Item 2 – Declaration of Interests in Agenda Items: There were no declarations of interest in agenda items.
F/17/55	Item 3 – Minutes of Previous Meeting and Matters Arising: The minutes of the meeting on 24 October June 2017 were accepted as an accurate record and were duly signed by Steve Holderness. Martin Sim confirmed that the Safeguarding policy had been scrutinised by the local Safeguarding Coordinator, who was content with the wording. There were no other matters arising that were not covered by agenda items.
F/17/56	Item 4 – Estates Issues: <i>4.1 Estates Update</i> Hamid Ravat advised the meeting that there was nothing to report on estates matters since the previous meeting. Martin Sim said that there was unlikely to be significant capital expenditure over the next two years because the College needed to conserve cash. However managers would continue to explore ways of creating additional space for learners.

The meeting received the oral report on estates issues.

4.2 Health & Safety Statistics

Hamid Ravat presented the health & safety statistics to 6 November 2017. The numbers of reported incidents and accidents were running at rates comparable with those of the previous year.

The meeting received the health & safety statistics.

F/17/57

Item 5 – Finance Issues:

5.1 Operating Results

Hamid Ravat presented the operating results to October 2017. The reported surplus was £531K (£132K above budget).

Income was £26K above budget mainly because of the release of a deferred capital grant in respect of the Blackbird Road site. Pay expenditure was £64K below budget, though pay had yet to reflect any national award and most teachers' pay increments would be processed in November.

Steve Holderness asked why there was an adverse variance on the Sports Account. Hamid Ravat said that there had, as usual, been reduced income from lettings in August and September. The budget was not seasonally flexed. Martin Sim advised the meeting that pay and non-pay expenditure had started to move in the right direction. Hamid Ravat confirmed that during the year he expected to see savings in pay of around £200K.

Hamid Ravat explained that the adverse variance in respect of IT/MIS was mainly caused by seasonal effects, such as the need to pay the charges for systems support contracts at the start of the year. He expected to see in-year savings of £50K from Teaching Departments plus additional savings from Corporate Departments. Marketing expenditure was affected by seasonal factors such as the prospectus. Martin Sim said that there certainly scope for savings here, as fewer, shorter, paper copies would suffice if the full prospectus were published on-line.

Hamid Ravat said that the balance sheet showed nothing untoward. However he asked the meeting to note that the second payment from Barratt Developments was shown both as a debtor and a creditor, as the payment once received would have to be remitted to the Education & Skills Funding Agency (ESFA).

Steve Holderness asked what was pay as a percentage of income. Hamid Ravat said that although the budget figure was 69% he expected the percentage to reduce to 67 or 66% during the academic year. Steve Holderness asked which benchmark was appropriate to the College: that for sixth form colleges (70%) or that for FE colleges (63%). Martin Sim said that the appropriate benchmark was 63%. James Bagley demurred as FE colleges – unlike the College – had many

teachers with trade backgrounds, who commanded lower salaries. Martin Sim said that the College would have much greater flexibility to innovate and develop if pay costs were contained at 63%. Steve Holderness requested that the target for the current academic year should be set below 69%.

HR

Hamid Ravat said that he was conducting remodelling exercises in the light of current plans and would need to complete these as a next step. Steve Holderness said that agency costs must be contained within budget. Martin Sim advised against this, because there might be good reasons to use agency staff; the more important target was total pay costs (including agency staff) as a percentage of income. Steve Holderness said that he did not expect to see a repetition of recent overruns on examination costs. It was agreed that these had been the result of poor management. Martin Sim advised the meeting that there should be monitoring of deployment, remission and class sizes. It was noted that the Committee would receive a report on class and programme sizes in January 2018. Martin Sim observed that deployment was for the College a matter for local negotiation, and that it would be better if deployment could be determined on an annual rather than, as now, a weekly basis.

JB

Hamid Ravat forecast that the College's cash position would return at the year end to around £2.7 million. The College's current ratio was temporarily depressed by the treatment of the second payment due from Barratts, but this should be resolved by end July 2018. Martin Sim asked what would happen if Barratts were unable to make the payment. Hamid Ravat said that the College had retained a charge on the land.

The meeting received the operating results.

5.2 Financial Recovery Plan Update

Martin Sim reported briefly on a meeting with the ESFA on 31 October 2017, at which the ESFA representatives had been relatively content with the College's financial position. It remained important to have in place a recovery plan subject to detailed monitoring. Steve Holderness said the College must achieve a stable position where its income was in excess of its needs, and asked why the plan did not aim to achieve more savings in the current year. Martin Sim said that the College was still suffering a 'hangover' from previous inefficient provision, notably in respect of S2 courses, averaging just 8 learners. These courses would be phased out by the year end. It was important to take action in a way that did not destroy staff morale. He urged the necessity of persisting with the current rigorous recruitment policy. Steve

Holderness asked whether Heads of Department understood how critical it was to recruit correctly in September 2018.

Martin Sim said he hoped that the financial recovery plan could soon be released to staff, to whom the headlines had already been presented. He advised that the College should retain the present timetable and curriculum. He believed the actions set out in the paper were critical to retaining the ability to manage the reduction in staff numbers that would be required if the College failed to meet the recruitment targets in the plan. The main area of concern was Foundation Level students. Equally, over-recruitment would also pose a danger, with risks of attendant negative publicity.

Martin Sim then referred to the staffing model in the plan, with two caveats: that there might have been some double-counting in calculating savings, and that if voluntary severance was offered it should be very carefully targeted on the areas where contraction was needed.

The Committee received the financial recovery plan.

5.3 ESFA Financial Health Confirmation 2016/2017

Hamid Ravat presented a letter from the ESFA dated 18 October 2017. The letter noted that the College had assessed its financial health as Satisfactory for 2016/2017 returning to Outstanding in the current year. The ESFA had assessed the College's underlying financial health as Good. The letter referred to possible financial intervention where colleges' financial health assessments had hit any of the Agency's triggers. Hamid Ravat considered that the College was a candidate for early intervention.

The meeting noted the letter.

5.4 ESFA Financial Dashboard 2016/2017

Hamid Ravat presented dashboard data just published by the ESFA for the College on the basis of its results and forecasts. The dashboard showed that recently many colleges had moved from Outstanding to Good as the effects of austerity and the withdrawal of protection funding reduced surpluses and cash reserves. The College remained comparatively strong in terms of its liquidity.

The meeting noted the dashboard data.

5.5 ESFA Early Intervention Guidance

Hamid Ravat presented a reminder of the ESFA's early intervention strategy and its associated powers.

The meeting noted the intervention guidance.

5.6 Loan Covenants Review

Hamid presented a review of the College's compliance with its loan covenants. The College remained compliant with all its loan covenants, but vigilance was clearly required in respect of cashflow over the period 2018/2020.

The meeting received this report.

F/17/58

Item 6 – Human Resources Issues:

6.1 Staffing Update

Hamid Ravat presented the staffing update. FTE headcount was nearly 5 below budget. There had been a rise in recent sickness absence levels, but it was hoped that this would be reversed as two persistent sickness absentees had left the College on amicable terms.

The meeting received the staffing update.

6.2 Annual Human Resources Management Report 2016/2017

Hamid Ravat presented the Annual Human Resources Management Report for 2016/2017. The report, prepared by Gail Booth, provided an analysis of the profile of staff and gave details of turnover and cases relating to discipline, capability and grievances. Sickness absence had been above national benchmarks, in particular because of a small number of instances of long term sickness. The report also summarised contextual and regulatory changes.

The Committee noted that the report was a considerable improvement upon the report for the previous year.

The Committee received the report with thanks.

F/17/59

Item 7 – Marketing Issues:

7.1 Marketing Plan 2017/2018

James Bagley prefaced his presentation of the marketing plan by stating that the plan required reworking following the amalgamation of Marketing and Student Admissions. It was intended that the combined team would draw upon useful local demographic data, monitor conversion rates and track and monitor student destinations. He reported that numbers attending the recent Open Day had declined slightly but the quality of those attending had considerably improved. There had been much positive feedback on the action the College had taken.

The meeting received the marketing plan.

F/17/60

Item 8 – General Issues:

8.1 Performance against Committee's Targets for 2016/2017 and Proposed Targets for 2017/2018

Robert Mansfield presented an analysis of the Committee's performance against the targets agreed for 2016/2017. All had been achieved except the target for reviewing

partnership activity. This had seemed of less importance following the termination of the joint venture with GEMEG. After discussion it was agreed that the same targets should be retained for 2017/2018 except insofar as scrutiny of the Mattioli Woods Academy should be transferred to the Standards & Quality Committee.

The Committee received the report and confirmed targets for 2017/2018.

RM

8.2 Review of Policy Monitoring

Robert Mansfield presented a short paper setting out the current arrangements for policy monitoring by governors. The paper had been prepared to meet a recommendation in the Code for Good Governance in English Colleges. It was agreed that the current arrangements for policy monitoring were in line with the mandatory terms of the Code and that no additions were required.

The Committee received the report.

F/17/61 Item 9 – Date and Time of next Meeting:

The date and time of the next meeting were confirmed as Tuesday 5 December 2018 at 5.30 p.m. at the College (joint meeting with the Audit Committee).

F/17/62 Item 10 – Any Other Business:

10.1 Interim Principal

Martin Sim had by mutual agreement ended his contract as Interim Principal. On behalf of the governing body Steve Holderness thanked him for his leadership, clarity of thought and his highly effective contribution in turning the College round. Martin Sim said that he had very much enjoyed working at the College. He was confident that it was now in good hands. Although his contract had been formally concluded he would remain in contact by telephone and would provide advice and support as required.

The Committee fully endorsed these sentiments.

Patsy Hamer withdrew from the meeting for consideration of the minute of the confidential session on 24 October 2017.

F/17/63 Item 11 – Confidential Item:

11.1 Minute of Confidential Session 24 October 2011

Robert Mansfield presented the minute of the confidential session on 24 October 2017. Consideration of the confidential matters discussed had been concluded. The minute was accepted as an accurate record and was duly signed by Steve Holderness.