



FINANCE, STAFFING & GENERAL PURPOSES COMMITTEE

Minutes of Meeting on Thursday 18 October 2018

Present:

Mr S Holderness (<i>Chair</i>)	Vice-Chair of Governors
Mr J Bagley	Principal
Ms P Hamer	Staff Governor
Mr H Solanki	Parent Governor

In Attendance:

Mr H Ravat	Vice-Principal Resources
Mr R Mansfield	Clerk

Ref.		Action
F/18/31	<p>Item 1 – Apologies for Absence: There were no apologies for absence. The meeting was declared quorate.</p>	
F/18/32	<p>Item 2 – Declarations of Interest in Agenda Items: There were no declarations of interest in agenda items.</p>	
F/18/33	<p>Item 3 – Minutes of Previous Meeting and Matters Arising: The minutes of the meeting on 19 June 2018 were accepted as an accurate record and were signed by Steve Holderness. The actions listed in the minutes were reviewed.</p>	
F/18/34	<p>Item 4 – Estates Issues:</p> <p><i>4.1 Estates Update</i> Hamid Ravat provided an update on estates matters. There had been a modest programme of summer works, including replacement of the flat roof over the storage area adjacent to the Sports Hall and the removal of the defunct wind turbine. The College had continued to replace carpets and to redecorate as necessary. 80 computers and laptops had been replaced. 'Media kits' had been installed on all smartboards in classrooms. Hamid Ravat confirmed to Steve Holderness that the cost of the summer works had been within budget. Hamid Ravat advised the meeting that the IT equipment replaced had been sent to a recycling firm; the College had received no payment. The meeting received this report.</p> <p><i>4.2 Annual Health and Safety Report 2017/2018</i> Hamid Ravat presented the annual health and safety report</p>	

for 2017/2018. There had been an increase over the previous year in the number of reported incidents. The main reason had been students feeling unwell and seeking first aid. Otherwise the data contained no significant incidents or accidents. The report dealt with action to maintain the number of qualified first-aiders, the management of risks relating to the minibus, compliance with fire regulations and management and specialist advice.

He confirmed to Steve Holderness that there were sufficient trained first-aiders in the Sports Hall. It was up to community users to make their own safety arrangements.

The meeting received the health and safety report.

F/18/35

Item 5 – Finance Issues:

5.1 Learner Numbers and Funding 2018/2019

Hamid Ravat presented the learner numbers and funding report. The College had enrolled 1271 students though the number had subsequently fallen to 1205 (about 200 below the number predicated in the financial plan). This reduction equated to a reduction in projected funding for 2019/2020 of around £900K. Steve Holderness asked the reasons for the shortfall in numbers. James Bagley said that there were three causes, each of similar significance:

- Curriculum adjustments associated with an end to the 'recycling' of unsuccessful students
- Reduction in applications, allied to demographic changes
- Improved retention and recruitment by WQE and Regent College.

The College's own retention had been as predicted. Damage to the College's reputation for quality early in the previous year had adversely affected the number of applications.

Harshad Solanki suggested that the College's location reduced the College's appeal to those who had to make more than one bus journey. He believed that the College would find it worthwhile to discuss this issue with Leicester City Council. Hamid Ravat agreed that transport was an important issue but not an overriding one. He noted that over 50% of eligible local students chose destinations other than the College. College students were able to use the Hospital Hopper buses.

James Bagley said that although applications were below forecast, the conversion rate had improved. The number of new recruits was broadly in line with recent years.

Steve Holderness asked that the Board should receive a considered analysis of the reasons for the shortfall against the College's target. This should include, for example, the curriculum offer, confidence in the quality of provision, effectiveness of marketing, student peer pressure and so on.

The Committee received the report.

JB

5.2 Draft Management Accounts 2017/2018

Hamid Ravat presented the draft management accounts for 2017/2018. The College had produced an overall surplus of £24K, as compared with the budget of £25K. The underlying operating surplus before restructuring costs and Local Government Pension Scheme charges was £405K (£90K above budget). Income had been £29K above budget mainly attributable to 'miscellaneous income'. Pay costs were £9K below budget. Additional spending on supply staff had been largely offset by savings on vacant posts. Operating expenditure was £67K below budget. There had been significant savings in Teaching Departments and Examinations, slightly offset by a small increase in depreciation.

Capital expenditure had been just under budget. The balance sheet was distorted by the sale receipts from Blackbird Road, which had been paid to the Education & Skills Funding Agency after the year-end. The underlying cash position was £2.92 million, an increase of £233K since the previous year. The Key Performance Indicators were at or above target (except for the current ratio, which was temporarily artificially depressed by the debt relating to the sale receipts from Blackbird Road).

Steve Holderness said that all credit was due to everyone involved in producing an excellent set of results.

The Committee received the draft management accounts.

5.3 Operating Results 2018/2019

Hamid Ravat presented the operating results to September 2018. It was very early in the current financial year and there was as yet nothing of significance to report. Pay costs were at an unsustainably high level, set in the expectation of improved funding in 2019/2020, which would now not materialize. The financial strategy would as a consequence need to be revisited.

The Committee received the operating results.

5.4 Loan Covenants Review

Hamid Ravat presented a review of the College's compliance with its loan covenants. The College had continued to meet the targets set for all four covenants in 2017/2018. It appeared likely that the College would be in breach of the covenant for operating cash flow in 2019/2020, and there would shortly be meetings with Lloyds Bank to discuss possible mitigating action.

The Committee received this report.

5.5 Catering Update

Hamid Ravat presented an oral update on the catering service. Midshire had agreed to continue for a further period subject to receiving a monthly subsidy from the College.

Steve Holderness questioned whether Midshire were setting prices to achieve a realistic margin of gross profit. Harshad Solanki counselled against 'cutting corners' to improve returns, as this might put quality at risk. The meeting noted that there was significant local competition from Tesco and McDonalds. Steve Holderness requested that the Committee be kept informed of any future concerns relating to continuity of supply.

The meeting receiving the catering update.

5.6 Sports Facilities Update

Hamid Ravat presented an oral update on the sports facilities. Occupancy was not particularly sensitive to student numbers. Bookings of the Sports Hall were at around 90% of capacity, and of the MUGA significantly less. Community use of the Sports Facilities made a small contribution to overheads.

The meeting received the update on the sports facilities.

F/18/36

Item 6 – Human Resources Issues:

6.1 Staffing Update

Hamid Ravat presented the staffing update. There had been a large number of leavers, in part as a result of the successful voluntary redundancy programme. Although there had also been a significant number of joiners, many of these were part-time posts. FTE headcount was nearly four below budget.

Sickness absence was to date running at low levels. It was however too early in the year to draw any conclusions from the figures reported.

The meeting received the staffing update.

6.2 Annual Human Resources Management Report 2017/2018

Hamid Ravat presented the annual human resources management report for 2017/2018. This was similar in format to that for the previous year, except that a section on Professional Development had been added. The staff profile depicted a broad mix well matched to the student population. Staff turnover had been inflated by recent voluntary redundancies. There had been a rise in the number of staff entering capability proceedings, mostly because of their attendance. The revised structure, based upon Departments and Schools, had been successfully embedded. The response rate to the staff survey had fallen to very disappointing levels; whilst this might be an indication of less dissatisfaction, there was some evidence that staff had doubts about the anonymity of their responses, despite the many assurances provided. Consideration would be given to reducing the number of profiling questions. Sickness absence rates had improved to just above the sixth form college average. The report described the various ways in which the

College had invested in Continuing Professional Development. When asked what impact this had had Hamid Ravat pointed to outcomes such as the lack of data breaches and regulatory breaches and the excellent results from the moderation of examination marking.

The meeting received the annual human resources management report.

F/18/37

Item 7 – Admissions and Marketing Issues:

7.1 Admissions Update

James Bagley presented an oral update on admissions. As already reported there had been a fall in admissions as compared with the financial plan. There had been no late joiners as in previous years. This appeared to be the result of the merger of the WQE1 and Regent Colleges, that had created additional capacity. Moreover WQE1 had operated waiting lists even for fully enrolled courses and had continued after the start of term to enroll students already enrolled at the College. The College's previous inspection Grade 4 had tarnished its marketing efforts at a critical time.

The meeting received the update.

7.2 Marketing Plan 2018/2019

James Bagley presented the marketing plan for the current academic year. In previous years the plan had largely been 'rolled forward' from the previous year. However for the current year there were three clear priorities:

- To raise the profile of the College early in the year. An active programme of contact with schools had been instigated
- To review the allocation of the budget to ensure the most effective utilization of scarce resources
- To create links with other colleges with a track-record of effective marketing.

He then outlined the actions in the plan in pursuit of these priorities. It was critical to streamline the College brand. Steve Holderness questioned whether the College had applied sufficient personnel to marketing, given its current importance.

The meeting received the marketing plan.

F/18/38

Item 8 – Governance Issues:

8.1 Bursary Discretionary Fund Policy

Hamid Ravat presented the bursary discretionary fund and free meals policy. This had been subject to very minor changes in order to comply with the latest guidance.

The Committee commended the bursary discretionary fund policy to the Board for endorsement.

8.2 Annual IT Security Report 2017/2018

Hamid Ravat presented the annual IT security report for 2017/2018. There had been no matters of significant concern and no fundamental changes during the year.

Steve Holderness asked to what extent the College's IT systems were at risk. Hamid Ravat said that the College adopted the requisite measures recommended by suppliers. There had been no significant intrusions or system corruptions. There had been one instance of significant outage affecting learners. This had taken three to four days to resolve.

The Committee received the annual IT security report.

8.3 Public Access and Confidentiality Policy

Robert Mansfield presented the public access and confidentiality policy. He had recently reviewed the policy and there appeared no reason to amend it.

The Committee commended the public access and confidentiality policy to the Board for endorsement.

8.4 Committee's Performance against Targets

Robert Mansfield presented an analysis of the Committee's performance against its targets for 2017/2018. All had been met, except that there had been no review of an action plan in response to the staff survey in view of the poor response rate. He suggested that this target might be dropped in the current year. However it appeared in discussion that there might be another survey in the current year, and the target was therefore retained.

The Committee received the report.

F/18/39

Item 9 – Date and Time of Next Meeting:

It was confirmed that the next meeting of the Committee would be on Tuesday 4 December 2018 at 5.30 p.m. at the College, (joint meeting with the Audit Committee).

F/18/40

Item 10 – Any Other Business:

There was no other business.