



MINUTES OF A MEETING OF THE GATEWAY COLLEGE FINANCE, STAFFING & GENERAL PURPOSES COMMITTEE HELD ON TUESDAY 22 OCTOBER 2019

Present: Mr S Holderness (Chair) Vice-Chair of Governors
Mr J Bagley Principal
Mr C Gray Governor
Ms P Hamer Governor

In Attendance: Mr H Ravat Vice-Principal Resources
Mr M Tolond Clerk

Ref		ACTION
F/19/31	Item 1 - Apologies for Absence Apologies for absence were received from Harshad Solanki. The meeting was declared quorate.	
F/19/32	Item 2 - Declarations of Interest in Agenda Items There were no declarations received.	
F/19/33	Item 3 – Minutes of Previous Meeting and Matters Arising The minutes of the meeting held on 18 June 2019 were approved and signed as an accurate record by Steve Holderness. All actions had been completed as indicated in the minutes.	
F/19/34	Item 4 – Estates Issues 4.1 <u>Estates Update</u> Hamid Ravat reported that there were no significant items of expenditure during the summer with mainly low-level maintenance items being actioned. The College gas boiler was currently out of action and costs of repair were being assessed in terms of the warranty given by the suppliers when purchased. Likely repair costs were in the region of £10,000. 4.2 <u>Annual Health and Safety Report 2018/2019</u> Hamid Ravat presented the College Annual Health and Safety Report for 2018/2019 which covered accident data, first aid, the College minibus, Fire Regulations and Staffing. The number of reported incidents during the year was 94, compared with 122 in 2017-18, of which 23 were classified as accidents on Gateway premises, mainly sports related and in catering. There were sufficient trained first aid staff and 20 ROSPA trained drivers for the College minibus. A full fire drill and evacuation was scheduled for the Autumn term. Specialist Health & Safety support was provided externally covering Health and Safety management and risk assessment.	
F/19/35	Item 5 – Finance Issues 5.1 <u>Learner Numbers and Funding 2019/2020</u> Hamid Ravat reported that the total funding allocation was £5,703,962 for a total of 1214	

learners. The funding comprised £5,633,962 for ESFA 16-19 learners and £70,000 for ESFA Adult 19+. A full ILR would be produced in December to verify student numbers and funding values would then be generated. Retention rates were also consistent and would be reflected in future learner numbers.

5.2 Draft Management Accounts 2018/2019

Hamid Ravat presented the draft Operating Results to July 2019 (Month 12) subject to audit. The original budget for the year was for an operating deficit, excluding restructuring costs of £764,000. The Income and Expenditure account showed an overall deficit of £809,000 although the underlying operating deficit was £395,000 excluding restructuring costs and FS102 pension accounting charges was £395,000 and £369,000 better than budget. Income was £250,000 higher than budget, pay costs were £79,000 below budget, non-pay costs were £22,000 below budget and the depreciation charge was £18,000 under budget.

A full breakdown of expenditure across pay and non-pay areas indicated the individual areas where savings were made on operating costs.

The cash balance as a result was £2.5million which compared with the previous year.

The College Monthly Financial Ratio Analysis indicated pay at 73% of income and positive other financial ratios.

The College on the basis of the full year results was compliant with bank loan overdrafts.

5.3 Operating Results 2019/2020

Hamid Ravat presented the operating results for the period August and September 2019. The budget for 2019/2020 was for an operating deficit, excluding restructuring costs of £898,000. Up to the end of Month 2, the income and expenditure account showed a surplus of £230,000 which was £178,000 better than budget with income £17,000 above budget, pay costs £49,000 below budget and non-pay costs £112,000 below budget. The current cash balance was £2,976,000 and was forecast to reduce by £1,700,000 by the end of the financial year. Capital expenditure of £21,000 had been incurred against a budget of £60,000 with funds spend mainly on IT equipment.

The profitability, liquidity and gearing performance indicators were noted as forecast to worsen by July 2020. Based on the full year forecast the College would breach its bank loan covenant regarding operating cash flow by experiencing two consecutive years of negative operating cash flows. Discussions were ongoing with the College Bankers regarding potential breaches of the bank loan covenant and would be fully reviewed as progress towards the MAT continued.

5.4 F.E. Insolvency Regime

Hamid Ravat presented a briefing paper on the F.E. Insolvency Regime which had come into force in January 2019. The main area which could affect Colleges was Administration and the consequent appointment of an Education Administrator as a result of a court order on Government application. The key responsibilities for Governors were outlined principally relating to governance structures, the setting and monitoring of financial targets. The briefing paper would be circulated to other members of the Governing body.

HR

F/19/36

Item 6 – Human Resources Issues

6.1 Staffing Update

Hamid Ravat presented the College Staffing update for October 2019. Total headcount was 133 and was slightly ahead of budget for the year. There were currently no vacancies or appointments planned for the current year.

The long-term and short-term analysis of staff absence was noted as being below the sector average.

6.2 Restructure Update

James Bagley presented the College Restructure Update and reported that a full-scale redundancy process for staff was underway. It was hoped that savings could be achieved by voluntary means and redeployment if possible. Further savings would be sought from teaching staff numbers after a full review of the curriculum in January 2020.

The College had a clear redundancy policy based on an agreed range of human resources factors. The overall target over two years was to save £900,000 with £600,000 targeted for saving in 2019/2020 and £300,000 in 2020/2021. The likely figure was 10 staff redundancies. Steps were also being taken to reduce staff non-teaching time – ‘remission’ – and provide additional teaching resource. There would be a number of compulsory redundancies which if resulting in appeals would involve a Governor panel. Statutory redundancy payments would apply to compulsory redundancies with voluntary redundancies being paid enhanced amounts.

F/19/37

Item 7 – Marketing Issues

7.1 Admissions Update

James Bagley presented the College Admissions Update which indicated 1214 students as at 22 October.

7.2 Marketing Plan 2019/2020

James Bagley presented the Marketing Plan for 2019/2020 and confirmed that the recent Ofsted ‘good’ grading would be regularly featured in all College marketing material.

F/19/38

Item 8 – General Issues

8.1 Bursary, Discretionary Fund and Free Meals Policy

Hamid Ravat presented the Bursary, Discretionary Fund and Free Meals Policy. There had been no changes since the previous year and the policy was endorsed for ratification at the October Board meeting.

8.2 Equality and Diversity Policy 2019/2020

James Bagley presented the Equality and Diversity Policy which had a minor change of responsibility included. Subject to this the policy was endorsed for ratification at the October Board meeting.

8.3 Fees Policy 2019/2020

Hamid Ravat presented the Fees Policy 2019/2020 which was endorsed for ratification at the October Board meeting.

8.4 Governors’ Expenses Policy

Michael Tolond presented the Governors’ Expenses Policy which was endorsed for ratification at the October Board meeting.

8.5 Whistleblowing Policy

Michael Tolond presented the Whistleblowing Policy which was endorsed for ratification at the October Board meeting

F/19/39 **Item 9 – Any Other Business**

There was none.

F/19/40 **Item 10 – Date of next meeting**

The date of the next meeting which would be a joint meeting with the Audit Committee was fixed for Thursday 5 December at 5.30pm at the College.

The meeting closed at 7.08pm