

FINANCE & RESOURCES COMMITTEE MEETING

Date	Tuesday 27 th September 2016	Time 4.30pm	UNRESTRICTED: FINAL
Venue	The Executive Boardroom, New College Stamford		
Chair	David Pennell.		

Members present: Sarah Hobbs, Yasmin Ilahi and David Pennell.
In attendance: Janet Meenaghan (Principal), Andrew Clare (Vice-Principal, Finance & Resources), Alison Fox (Assistant Principal, Employer Engagement & Partnerships), Rachel Nicholls (Vice Principal, Curriculum) and Sally Brook Shanahan (Clerk to the Corporation)

Apologies: Apologies were also received from Alison Grant (Corporation Chair) who has a standing invitation to attend meetings of the Committee.

Disclosure of Members Interests: There were no disclosures of interests beyond those already declared in the Register of Interests.

Item	Actions
1. Minutes of the Meeting held on 30th June 2016 The minutes of the meeting of the Finance & Resources Committee held on 30th June 2016 were agreed and signed by the Chair as a true record.	
2. Actions Table and Matters arising from the Minutes of the Meeting held on 30th June 2016 (i) <u>Action No. 2, Minute 4, Page 3 – Management Accounts – May 2016</u> – It was reported that a reply is awaited following the proposal made that the VP Curriculum should join the Board of Stamford Welland Academy. (ii) <u>Action No. 6, Minute 9, Page 6 – Reward Strategy</u> – The insurance policy was renewed as it stood owing to difficulties with the brokers and it was confirmed this did not include Key Man cover. It was agreed that this cover will be put in place in respect of the posts of Principal, Vice Principal Curriculum and Vice Principal Finance & Resources. It was noted that all remaining Actions have either been completed or are to be completed by dates in the future.	VPF&R
3. Learner Numbers and Funding Report The Vice-Principal, Finance & Resources summarised the headlines from the report that showed the latest position regarding funding for 2015/16 and explained the final funding remains subject to the outcome of the recent funding audit and outstanding achievements. The EFA numbers have been down since the start of the year, the financial impact of which would have been £332K but for the lag funding that means the impact will fall in 2016/17. Apprenticeships are growing with the allocation recently increased from £409K to £421K. However the latest forecast shows the forecast funding will generate £449K and so the SLT will be discussing this over-performance with the SFA.	

Members scrutinised the funding report which remained subject to the outcome of the funding audit. This showed the College had exceeded its SFA allocation by £17K and that there is the potential of a £27K adjustment. Members commented on the fact that 24+ Loans had not yet developed as far as they would like and that the HE position is slightly down on the previous year. However, Members noted that the overall position for 2015/16 remained in line with reporting.

Members received an enrolment trend summary that provided comparison figures with the exact time last year and overall recorded the current position as being very slightly below. Attention focussed on the variance table for full-time 16-18 students which showed a current year target of 1802 against 1899 in 2015/16, assuming all remain as at the count date in November. In the discussion that followed it was noted that the funded target for "A" Level students is 181 and the Skills for Work & Living cohort will be higher following the recent reclassification of students with a learning difficulty. In response to a question about recruitment it was confirmed the College is still recruiting with the students being principally aged 19+ or "at risk" students with whom it may be more difficult to work. In summary Members assessed the risk area to be "A" Levels and that Business, Travel and Leisure Industries were all up. In order to assist their interpretation of the data Members asked for a key to the acronyms to be included on the next occasion it is to be reviewed by the Committee.

VPF&R

In the course of a wide ranging discussion Members contextualised the College's position in the context of the downward trend at other local colleges and the absence of a key staff member in the marketing team. The results of the analysis by the AoC of 16-18 recruitment are expected soon with the outcomes anticipated to show that schools are holding on to their pupils and more students are taking an apprenticeship route.

The Assistant Principal, Employer Engagement & Partnerships reported there are currently 36 Apprentices enrolled with 17 awaiting entry on to the system, compared to 46 in total in the previous year. Members heard that apprenticeships in Health & Social Care are about to take off dramatically with a major company in that sector which is expanding into domiciliary services currently establishing a sector based Workplace Academy.

Members were reminded that the data is regularly changing with, for example 46 more students to add for Addict Dance and with all year round opportunities to be taken to add students who are adults and apprentices. With income anticipated to be £250K down Members strongly emphasised the importance of exploiting the opportunities to grow further apprenticeship income whilst acknowledging the downward demographic trend in 16-18 numbers for the next 6 years.

A discussion followed about the issues around schools persuading students to stay and the different approaches being taken and planned to try to improve recruitment which had been made more challenging now Connexions is no longer there as an independent broker. Suggestions included directing communications to families rather than schools and about the different types of marketing initiatives. The Vice Principal Curriculum observed the situation was not as bad as in many other places particularly as the College has established good relationships with local schools. The key, she emphasised, is to show how the College is different from school, for example by getting

	<p>constructive press coverage. Further, it was suggested the College needs to find a way in to schools to reach the 18 year olds who will be leaving in any event. In response a report was given about a recent, very well attended recruitment event in Peterborough where it was apparent the College had the best marketing and incentives on offer.</p>	
<p>4.</p>	<p>Management Accounts – Draft Year ended 31st July 2016 Members reviewed the Summary of the provisional Financial Performance as at the year-end on 31st July 2016. The audit will commence in about a fortnight's time and it was confirmed no significant change to the position is expected. The draft Management Accounts showed an operating surplus of £381K against a budget of £136K as a consequence of the receipt of additional adult skills budget funding of £35k, reduced subcontracting costs of (£161K), reduced HE validation fees of (£237K) and the prior year reversal of over accrued dilapidations of (£68K).</p> <p>Members commended the healthy financial position that was particularly important as the College enters the Area Based Review process. It was pointed out that the surplus is higher as when it was known the College was down on numbers, costs were taken out immediately. Further only £38K was spent on restructuring costs as by taking cost out earlier it had been possible to achieve savings.</p> <p>The summary of financial performance was scrutinised by Members and a question asked about the College's borrowings as a percentage of reserves. The July actual figure of 15.69% was confirmed and noted as being low as against the sector benchmark of 35%. Members emphasised the importance of continuing to generate a surplus to ensure the debt can be serviced. Attention turned to pensions and the potential for a worsening position after next year's revaluation. In the context of the Area Based Reviews and in response to a question about the impact of any recommendations on pensions it was confirmed liability would only crystallise if the College merged and came out of the scheme. The mitigating impact of Stamford Plus and changes to recruitment were noted that means it is not obligatory to offer membership of the Local Government Pension Scheme or Teachers' Pension Scheme.</p> <p>A discussion followed about the cost of the refurbishment of the former Learning Resources Centre to create the new Library. Issues had arisen with the contractor including in connection with the creation of new windows in the HE area that had delayed the scheme by a fortnight. Further problems had been encountered with Building Control in connection with the use of incorrect bolts and with the delivery of the glass balustrades. In response to Members' questions it was confirmed a JCT contract was in place that included provisions for liquidated damages. Whilst it had been clear from the outset that the refurbishment project would not be completed before the start of the new academic year it had proved frustrating over the last ten days in particular with some quality issues necessitating the College refusing to accept a certificate until they were resolved. Notwithstanding the problems encountered Members commended the new Library facilities and noted the learning points particularly as a result of the perennial problem of having to fit works in during the summer holidays.</p> <p>At the recent renewal of the insurance cover for the College buildings a condition imposed was to deal with fire suppression in the canteen. It was confirmed the works required have been completed. This prompted a discussion about asbestos in which it was noted no such issues had been encountered in the Library area. Nevertheless Members asked for a full asbestos survey to be conducted and for the level to be</p>	



	<p>confirmed. This will be arranged under the auspices of the Head of Health & Safety.</p> <p>Members noted there will be no Management Accounts published for August 2016.</p>	VPF&R
5.	<p>Business Development Update including Apprenticeship Growth Strategy</p> <p>The Assistant Principal, Employer Engagement & Partnerships update Members on the actions being taken to implement the opportunities for apprenticeship growth. These included getting the team in place through the appointment of an Apprenticeship Manager, A Care-Co-ordinator and Apprenticeship Advisers. The newly appointed Manager came with contacts which he is already pursuing through meetings as well as exploring the wide range of options to gain the considerable work that exists in the market. Whilst the growth areas identified in the Local Labour Market Information included Construction and Motor Vehicle and Electrical Engineering Members challenged whether this remained the case in Stamford as opposed to the wider Greater Lincolnshire area. It was confirmed that an exercise to drill down into the data had been conducted and showed the local demand may not be as great.</p> <p>In the course of a very wide and challenging discussion the following key themes and priorities emerged:</p> <ul style="list-style-type: none"> • Apprenticeship Levy – The College will be represented at an event about the Levy to be held on 19th October 2016 in Lincoln. The Committee Chair expressed frustration that the Committee had been talking about holding its own Levy event for employers as long ago as May but it was pointed out that firm information needs to be available to do this and we cannot be confident about this until it is published, which is currently scheduled for the end of October. When the information is published Members urged the need for the College not to miss the boat and asked what actions will follow. The Assistant Principal, Employer Engagement & Partnerships confirmed the Apprenticeship Advisers are preparing to set up Employer Forums with new and existing contacts. She added that once the initial apprenticeship recruitment has taken place staff will set about cold calling for which there is capacity in the team with a view to building steady growth. • CRM Database – The College has purchased the details of 850 local employers but this information is not held on a CRM database. The Committee Chair expressed the view that it is essential to establish one. Whilst affirming the need for this in due course the Assistant Principal, Employer Engagement & Partnerships said some in-house data already exists for workplace experience can be utilised. The Principal added that in the first instance the College will need to target sectors and this will initially be on a small scale. • Employer contacts – with a paybill of around £15m Members emphasised the need for the College to establish a relationship with the Head of the Stamford Endowed Schools without delay. In this context it was reported contact has already been made with Peterborough Hospital Group and NHS Trust and so the Committee Chair asked for an update about progress with these employers at the next meeting. • Other dimensions – The Principal outlined these including the collaboration with Grantham and Boston Colleges and the potential to acquire an established apprenticeship company, with Members expressing their enthusiasm for both. In addition she also outlined further opportunities that involved partnering other organisations. 	APEEP

	<p>In conclusion the Principal reminded Members that the College had a history of very little provision and that the only time when there had been a significant level of activity this had been through the use of seven sub-contractors and had resulted in the issue of a Notice to Improve. Consequently she noted the need to build provision in a measured way to ensure quality does not suffer.</p>	
6.	<p>Human Resources and Legal Update Members received the Report that outlined HR activity together with the accompanying legal update and noted the actions being taken to ensure legal compliance, added value and continued best practice. In the course of their scrutiny of the statistics it was noted that staff turnover fluctuated over the year but stood overall at 20%. Sickness absence in the rolling year stood at 3.17% just above the AoC sector average of 3.0%. Members enquired about the Finance Department restructure and it was explained it was in response to the need to meet the new focus on information requirements. Concern was expressed at the continuing lack of progress with the recruitment of IT staff in response to which the current steps being taken were outlined.</p>	
7.	<p>Health & Safety Report The item had been included on the agenda to review the specific matters relating to the operation of the Borderville Sports Centre. Members were given confirmation that an Action Plan had been drawn up with the Football Club around the third party hirers, building evacuation and the need for a common strategy for the building that had been raised previously by Members.</p> <p>In response to a suggestion from a Member it was agreed that the Minutes of meetings of the Health & Safety Committee will be circulated to the Membership so that any further matters of concern can be raised at the F&R Committee's next meeting.</p>	VPF&R
8.	<p>Stamford Plus Limited – Standing Item It was reported that the domain name has been purchased for Quality Resource Solutions – QRS. The focus of the company will be two-fold, namely managed services and employing staff with the name change to be effective from January 2017.</p>	
9.	<p>Review of the Committee's Performance against its Terms of Reference It was noted that the Search & Governance Committee had asked for the template for the review to be reviewed and for the revised version to be brought to its next meeting on 18th January 2017.</p>	Clerk
10.	<p>Borderville Update The Vice-Principal, Finance & Resources gave a verbal update in which he outlined the progress being made including the appointment of one duty officer and more work being conducted using in-house resources. A second duty officer remains to be appointed. The operation of the facility is now curriculum driven and the commercial opportunities are under review although the space constraints are likely to limit these. In response to a Member's question it was reported recruitment has gone well and is above forecast with the focus now on students being settled into their courses. The Centre Manager is managing the relationship with the Football Club including the development of protocols with them.</p>	
11.	<p>Any other business (i) Apprenticeship Company – It was confirmed the joint venture company with Boston College and Grantham College is ready to set up and will require an investment of £40K from each of the three Colleges. Members agreed unanimously to this</p>	



	investment and that the directors to be appointed from New College Stamford will be the Principal together with another governor and an external appointee, both of who are to be confirmed.	
11.	Date and time of the next meeting It was agreed that the next meeting of the Committee will take place on Tuesday 6th December 2016 at 4.30pm in the Executive Boardroom	

The meeting ended at 6.20pm.

Signed 

Date 