

Minutes of the Finance and Resources Committee meeting held in the Executive Boardroom at 1630 hrs on 26 June 2018

Present	David Pennell (Chair)	Janet Meenaghan (Principal)	Anthony Partington
	Marvin Solowo-Coker		
In Attendance	Andrew Clare (VPFR)	Ralph Devereux (Clerk)	
Apologies	Peter Fraser	Alison Fox (APPS)(Attendee)	

PART ONE

STANDING ITEMS

58/17 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

The apologies were accepted and the meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no interests declared.

The information was received.

59/17 MINUTES AND ACTIONS

- a. The Minutes of the last meeting held on 20 March 2018 were confirmed for electronic signature; action delegated to the Clerk. **(Action 1)**
- b. Action Register; all actions from the previous meeting had been completed or closed.
- c. Matters Arising from the Minutes. There were no matters arising from the Minutes.
- d. Urgent Business. There was no urgent business requested.

a. The information was noted.

b. Action had been identified. (Register at 76/17)

BUSINESS ITEMS

60/17 HUMAN RESOURCES (HR) AND LEGAL

Staff and Development (S&D) Report. The third S&D Report of the year, was discussed; the comprehensive report focused on strategic updates and full detail of performance against Key Performance Indicators (KPI) and was arranged in four specialised appendices. Annex A examined staff matters and it was noted that sickness levels were slightly above benchmark, but offset by low staff turnover; reasons for leaving, vacancies and new starters were noted. Members were alerted that staff costs as a percentage of income had risen for several valid reasons and although not above benchmark (65%), the information was noted. **(Action 2)** Staff development activity was discussed, the outcome of the staff survey (Annex B), completed in February was discussed and concern was expressed over some results. For example, only 56.7% agreed with the statement that "Communication is effective in the College", early research indicated that did not relate to "Top down" process but was directed at cross department issues; deeper analysis of the results was planned and unfortunately, no benchmark data was available. The legal update and the AoC Survey 2017, Annex C & D respectively were noted.

- a. The information was noted.
- b. Action had been identified. (Register at 76/17)

61/17 BUSINESS DEVELOPMENT AND PARTNERSHIPS

Contrary to the national trend (nationally down by 40% in May), apprenticeship numbers at NCS remained the same at this point in the last year. The concentrated work with 14 Levy paying employers and partners (all listed in the paper) had been justified and all were now providing apprentices. Work with sub-contractors, including two new agencies, planned to increase from September, which further widened the profile. The unique selling point (USP), which would continue to make a significant contribution, was the close attention to personal contact and individual development; members took comfort from the performance. Associated areas were fully detailed in the paper, they were noted as all positive and the widening contact and networking was welcomed. The RAG rated Apprenticeships Action Plan was scrutinised and was noted as largely green with some amber; there were no red ratings, reassurance was given that the amber items were receiving attention. Questions on individual elements were taken and dealt with satisfactorily.

The information was noted and received.

62/17 MANAGEMENT ACCOUNTS

The comprehensive management accounts accurate to 30 April 2018 (Month 9) were then considered and discussed; the situation remained stable and indications were that May numbers would be stronger. The overall variance was c£33k against budget, favourable income by c£265k with all variances clearly tabulated; the percentage payroll expenditure was adverse by .88% because of agency staff expenditure, non-payroll costs were positive; again with all variances clearly tabulated in the detailed Summary of Financial Performance (Key Performance Measures), which was welcomed. The continuing additional transport costs (£71k), were noted and the Borderville performance was explained, the latter would also be further considered later in the meeting. The balance sheet remained positive with a strong cash balance. Identified Risks and Opportunities were discussed and all Bank Covenants were noted as in-scope. The accounts were recommended to the Corporation. **(Action 3)**

- a. The information was noted.
- b. Action had been identified. (Register at 76/17)

63/17 LEARNER NUMBERS/FUNDING Recruitment for Study Programmes (16-18) was 30 above the financial plan and 104 above target; costs would be incurred this year but the benefit would be felt in the coming year. Funding for over-delivery of apprenticeships remained in doubt, and some additional sub-contract provision would be required, agreement was sought and received to vire funding between sub-contractors up to an overall limit of £245k to cover any possible shortfall. **(Action 4)** The implications of the numbers were discussed and the positive effect on 2018/19 was recognised.

- a. The information was noted.
- b. Action had been identified. (Register at 76/17).

64/17 FINANCIAL PLAN

The document had been prepared in accordance with governance policies and the full detail was supplemented by clear and comprehensive notes, including the background and clear links to the Strategic Plan. The implications, assumptions and associated risks were clearly detailed and noted and the financial objectives and assumptions for the forecast were clearly explained. The budget had balanced necessary efficiencies with future development and opportunities and provided adequate staffing and resources. The budget was then fully discussed page by page with reference to the notes and it was agreed that the proposals met the needs of the College and provided for the financial commitments for the coming year. The minimum cash-holding requirement, possible increases in pension liabilities, and the provision for a staff pay rise were fully discussed; the detailed curriculum plan represented the core management tool and was commended. The Sensitivity and Risk Analysis was considered and noted. The Appendices were then scrutinised:

- a. Appendix 1. Using the Education Skills Funding Agency (ESFA) criteria the Financial Health Grade was “Good” throughout the life of the Plan, with a borderline “Outstanding” in 2020/21.
- b. Appendix 2 comprised the ESFA required financial forecast spreadsheets, all of which were noted.
- c. Appendix 3 was the Capital Projects and Strategy Update including the Expenditure Analysis showing for 18/19 - £2.262m (Includes the Digital Skills Centre), 19/20 - £575k and 20/21 - £400k. The allocations were discussed and challenged; the explanation that the projects were essential and the expenditure did not compromise the ESFA Financial Health grades was accepted.

The Financial Plan represented a high investment in planning and commitment and members recorded thanks for the clear and detailed information, all of which was recommended to the Corporation for approval. **(Action 5)**

- a. **The information was noted.**
- b. **Action had been identified. (Register at 76/17)**

65/17 SUBCONTRACTING (VAT)

The situation re VAT on sub-contracting fees remained unclear; enquiries by national agencies including the Association of Colleges (AoC) had resulted in confirmation that the information was spurious. Nevertheless, it was difficult to dismiss the suggestion in the light of other charges being imposed on the FE Sector and associated misgivings remained.

The information was noted and received.

66/17 QUALITY RESOURCING SOLUTIONS (QRS) LTD

There were no QRS items to bring to the Committee attention.

67/17 HEALTH AND SAFETY (HAS) COMMITTEE MINUTES

The draft HAS Committee Minutes from 12 June 2018 and the Risk Audit Assessments were scrutinised; there were no points raised for consideration. The Committee Chair and the VPFR would hold a site meeting in the near future to consider difficulties that had emerged with the planned lift arrangements for the Digital Skills Centre and to seek their satisfactory resolution. **(Action 6)**

- a. **The information was noted.**
- b. **Action had been identified. (Register at 76/17)**

68/17 INTEREST RATES

There were no Interest Rates matters for consideration.

69/17 GENERAL DATA PROTECTION REGULATION (GDPR)

There were no areas of concern with implementation of the GDPR although further necessary actions had emerged. The associated action plan was considered and the sole red entry related to a yet to be completed IAS scrutiny. An on-line training and certificated package was now available for staff and corporation members.

The information was received and noted.

70-74/17 PART TWO (CONFIDENTIAL)

75/17 URGENT BUSINESS

There had been no urgent business agreed.

76/17 DATES OF NEXT MEETING

The next meeting would be held at 1630 on 4 October 2018.

76/17 ACTION REGISTER

Please refer to referenced Minute for further detail		Resp	Date
Action 1	59/17. Last minutes (20.03.18) confirmed for electronic signature.	Clerk	wie
Action 2	60/17. Noted that staff costs ratio rising but not above benchmark.	VPFR	
Action 3	62/17. Management accounts recommended to Corporation.	Chair	04.07.18
Action 4	63/17. Sub-contractors budgets to vire up to £245k.	VPFR	asap
Action 5	64/17. Budget and MTFP recommended to the Corporation.	Chair	04.07.18
Action 6	67/17. DSC site meeting to resolve lift HAS issues.	DP/AC	asap

Ralph Devereux (Clerk) for David Pennell (Chair)

Ralph Devereux (Clerk) for David Pennell (Chair) (Oct 8, 2018)

Minutes RD PART 1 26.06.18

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