

FINANCE & RESOURCES COMMITTEE MEETING

Date	Tuesday 22 nd September 2015	Time 4.00pm	UNRESTRICTED: FINAL
Venue	The Executive Boardroom, New College Stamford		
Chair	Jean Bevan		

Members present: Jean Bevan, Sarah Hobbs and David Pennell

In attendance: Andrew Clare (Interim Vice-Principal, Finance, Planning & Resources), Janet Meenaghan (Principal) and Sally Brook Shanahan (Clerk to the Corporation)

Apologies: Debbie Dear and Yasmin Ilahi.

Alison Grant (Corporation Chair) has a standing invitation to attend meetings of the Committee and her apologies for absence were also received.

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

The Committee Chair welcomed Janet Meenaghan, the new Principal, and Sarah Hobbs, a recently appointed Corporation Member, to their first meeting of the Committee.

	Item	Actions
1.	Minutes of the Meeting held on 6th May 2015 The minutes of the meeting of the Finance & Resources Committee held on 6 th May 2015 were agreed and signed by the Chair as a true record.	
2.	Minutes of the Meeting held on 1st July 2015 The minutes of the meeting of the Finance & Resources Committee held on 1 st July 2015 were agreed and signed by the Chair as a true record.	
3.	Minutes of the Confidential Meeting held on 1st July 2015 The minutes of the Confidential meeting of the Finance & Resources Committee held on 1 st July 2015 were agreed and signed by the Chair as a true record.	
4.	Actions Table from the Minutes of the Meetings held on 6th May and 1st July 2015 and matters arising from the Minutes not elsewhere on the Agenda Actions from the Meeting held on 1st July 2015 (i) <u>Action Nos. 1&2, Minute 3, Page 2/3 –Business Development & Marketing Plan</u> - Both Actions are on-going. Discussions about the appointment of a Web Manager have resulted in a proposal to recruit to the post on a 0.6FTE basis through Teach FE. It was clarified that from the way it has been reported there may have been some misunderstanding about the reduction to the Marketing budget as analysis of it over the past five years shows that it has remained virtually constant both in terms of direct cost and staffing. Whilst in the past the team comprised more agency staff this changed to more permanent appointments.	

In a discussion that followed Members asked whether the Executive Director, Partnerships, Skills and Commercial Development is content with the budget. In reply their attention was drawn to the achievements, notable good enrolments, a new prospectus, better use of social media and increased numbers of HE students and Apprentices all of which are indicative that the budget is sufficient. With attention increasingly focussing on ensuring the College has the right social media platforms Members acknowledged that the time is approaching when it would be useful to have a debate about whether the College needs to continue to publish a paper prospectus.

(ii) Action No. 7, Minute 10, Page 6 – Health & Safety Report – Members discussed the need for them to have the information about Health & Safety that was noted in the Action point as they had a number of questions including about the Health & Safety Advisor, training for those undertaking risk assessments, around method statements and the checks made to ensure compliance. It was confirmed that Health & Safety is a Standing Item on the agenda for SLT meetings. The Principal gave an assurance that she will ensure that the College is fully on top of all these matters with compliance and consistency being high on her list of priorities.

It was agreed that the current Health & Safety Policy will be circulated to Committee Members for their information and comment. Following a discussion about the benefits of the policy being audited it was recommended that this work should be commissioned and conducted externally by a Health & Safety specialist.

Clarification was given that the Health & Safety Policy covers contractors and students on work placements.

IVP,FPR

Actions from the Meeting held on 6th May 2015

(iii) Action No.3, Minutes 3, Page 3 – Management Accounts – March 2015 – The Action to use consistent terminology in future reports has been taken on board and will be used in future versions.

(iv) Action No. 4, Minute 10, Page 6 – Human Resources – It was confirmed that the Action to implement additions to the HR Report in order enhance its values to the Committee when scrutinising this area of the College's business is in progress.

(v) Action No. 5, Minute 10, Page 6 - Human Resources – The Organisational Development Forum has been set up and so it was agreed this action can be closed.

Actions from the Meeting held on 11th March 2015

(vi) Action No. 4, Minute 4, Page 3 – Budget Reforecast – January 2015 – The Action to bring the draft Budget for 2015/16 to the Committee's meeting in June 2015 has been completed and so the Action is closed.

(vii) Action No. 7, Minute 7, Page 5 – College Bank Mandate – Approved Signatories – The signatories have been agreed and the mandate signed and so the Action is closed.

(viii) Action No. 9, Minute 8, Page 6 – Human Resources and Organisational Development Report – The reasons for sickness absence are now included in the HR Report and so the Action is closed.

(ix) Action No. 10, Minute 9, Page 6 – Health & Safety Report for the period August to February 2015 – The details of the reportable accident and the two near misses have been circulated and are included in the Health & Safety Report. The Action is now closed.

<p>5.</p>	<p>Management Accounts – July 2015</p> <p>Members received the draft year end accounts along with confirmation that the audit is planned to commence in the week commencing 28th September 2015 subject to the outcome of their review by the Committee.</p> <p>Key points highlighted in the introduction were the trading surplus of £191,000 against the forecast surplus of £71,000 resulting in a favourable variance of £113,000 for the period. An explanation was provided for the difference which is due to a provision made not being required. It was confirmed that the dilapidations payable in respect of the premises at Gwash Way upon the termination of the lease have been included.</p> <p>Members noted that the Balance Sheet is now tidier having benefitted from the removal of historic items that were no longer necessary.</p> <p>A discussion followed about the reasons for the favourable outturn including higher HE income, lower sub-contractor costs with some of the work previously sub-contracted being brought back in-house and lower student transport costs. Members commended the performance particularly as staff costs increased and restructuring costs had been incurred. Overall costs had been well managed and going forward the College will benefit from the new academic contract that is now in place.</p> <p>Attention was drawn to the increase in the Local Government Pension Scheme pension fund deficit that relates to business support staff and managers. This is now estimated to stand at £½m based on the age profile and assumptions made. It was confirmed that the auditors are looking at this item and a request has been made for sensitivity figures to see what difference they will make. A discussion followed about the pensions liability in which it was acknowledged that although it is one of the largest items on the Balance Sheet it is also one over which the College has no control.</p> <p>Members scrutinised the Summary of Financial Performance and noted the significant increase in Cash Days in Hand from the budget of 71 to the actual figure of 141. It was explained that this is due to the receipt of the grant for the Construction Skills Centre and so this high figure will reduce as those funds are utilised.</p> <p>For the first time, the Management Accounts include a statement on compliance with the Bank Covenant Terms as it has been necessary to report on these now the College has taken out a loan. It was noted that the College is fully compliant and well placed to remain so as the covenant that generally causes most of a problem in the sector is historic cost surplus (not to have 3 consecutive deficits). A request was made for there to be a bi-annual report on interest rates and it was agreed that this item will be included on alternate meeting agendas.</p> <p>Members discussed the importance of managing each different funding stream that affect the College in year across various trigger points. In this context attention was drawn to the favourable variance in the HEFCE income and to the need for income from Apprenticeships to be tackled promptly as this funding is paid throughout the year.</p> <p>In relation to other points raised it was confirmed that the Premises overspend is due to more Summer work being carried out early and that in relation to the cash position, the account held with the Bank of Scotland was closed in the second week August which enabled the sum of £524,512 to be released.</p>	<p>IVP, FPR and Clerk</p>
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6.	<p>Funding Update 2014/15</p> <p>Members received the summary that showed the projected student numbers and funding for 2014/15 against the allocation. This included the fact that as the recruitment for 16-18 students was down in September 2014 the funding is lower with student numbers at 1,896 against the allocation of 1,944. It was noted that although the funding was guaranteed for 2014/15, that for 2015/16 has been reduced.</p> <p>In relation to 16-18 Apprenticeships the maximum funding available based on the current learners is £402,000 but based on the predicted achievements the forecast is £392,000. Importantly, however, if the College over delivers then funding will follow.</p> <p>The projected Adult Skills budget funding is £1,675,000 against the allocation of £1,689,000 giving a shortfall of £14,000 the main reason for which is the higher than expected withdrawals/non-starters for Learning Curve.</p> <p>Learner Numbers – Enrolments 2015/16</p> <p>It was reported that the figures in the paper had changed and that 1,951 16-18 learners had been recruited that is an increase over the week. Whilst this was good to see, it was emphasised that the number may start to reduce although with a cushion of around 50 learners above the allocation, the target remains to achieve allocation and then exceed it.</p> <p>The recruitment of Adult Learners is almost spot on at 187 actual against the target of 180. Whilst Higher Education recruitment may appear down at 206 currently against the target of 246, it was confirmed that 265 students have applied for leans and so the target should be met or exceeded.</p> <p>The significant improvements in the whole recruitment and enrolment process this year were recognised including the attention given to getting students on to the right course for them and the better use of induction.</p> <p>Financial Plan</p> <p>The Financial Plan included a reduction in the SFA adult skills budget of 24% for 2015/16. Subsequently, on 20 July 2015, the SFA wrote to all training providers about further cuts in the adult skills of 3.75%, excluding apprenticeship provision. As a consequence Members were referred to the re-worked analysis of the SFA allocation for 2015/16 that includes an updated allocation and projected direct and partner delivery. It was confirmed that the income from direct delivery will be updated in the next fortnight to show the forecast from the actual enrolments. The partner contracts will be a maximum value with an initial allocation to allow the college to vary if the funding changes. The unallocated £350,000 Partner delivery shown on the analysis will be allocated in the Partnership Report. Members discussed the merits of Partnership delivery and concluded that the aim is that partners should be those who can provide certainty of delivery including local partners and that small partners who need a disproportionate amount of management should be avoided. The overall partnership strategy was summed up as being to build long-term strategic partnerships with quality providers.</p>
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7.	<p>Human Resources & Organisational Development Report</p> <p>The Committee received the update on HR activity and the actions taken during the reporting period to ensure legal compliance, the adding of value and continued best practice which was the final report of the academic year 2014/15.</p> <p>In conjunction with the Report, Members received the Health, Safety & Wellbeing Policy that has been updated to incorporate the recent changes to the College structure and agreed to recommend it to the Corporation for approval.</p> <p>Members reviewed the Management of Work Related Stress Policy and commented on the responsibilities that this places on management. It was agreed that this Policy should also be recommended to the Corporation for approval.</p>	IVP,FPR
8.	<p>Capital Project – Construction Centre</p> <p>Members received the Report that provided an update on the progress with the new Construction Skills Centre build project. It was confirmed that the project is proceeding well. A total of 44 variations have been made but these have been mitigated by savings with a small contingency remaining.</p> <p>Attention is now focussed on the handover of the building and the equipment required for it to operate. In discussion it was confirmed that the moving costs are included in the budget along with a £180,000 budget for equipment of which £80,000 remains and is not expected to be exceeded.</p> <p>In response to a question about the impact on learners of moving to the new building mid-year on their course, it was acknowledged that this is a risk but one that has been mitigated by careful planning including a very detailed schedule around the move and in the knowledge that Construction is a very strong curriculum area.</p> <p>It appears that the Contractor is likely to complete the build pre-Christmas 2015 but as there will be snagging to do the College is still working to the 1st February 2016 handover to allow for that to take place. Meanwhile work is proceeding to engage staff in the need for flexibility to ensure that the building is set up for students.</p> <p>Members expressed a keen interest to see the new building and the progress made and asked for a visit to be arranged.</p>	IVP,FPR and Clerk
9.	<p>Partnerships Update</p> <p>The Report was received in which details of the Partners with who the College works to deliver in priority areas and meet the funding allocations were set out. These Partnerships which cover 16-18, Adult and Higher Education provision have reduced over the last 3 years principally as a result of funding cuts in the Adult Skills budget.</p> <p>Members discussed the Appendix attached to the paper that showed the proposed contracts for 15/16 in respect of which due diligence has been completed on the Partners involved. It was noted that the Skills Funding Agency have recently published new guidelines on the management of Partnerships/Sub-contractors. The implications of the changes are being reviewed by the SLT and confirmation given that any necessary changes will be implemented. The requirement of the Auditors to give an Audit opinion of the funding compliance is a key one that was highlighted and about which the Internal and External Auditors are being consulted to look at who should</p>	

	<p>undertake the work to give the assurance.</p> <p>An issue had arisen with a training provider who had failed to register on the SFA's Register of Training Organisations which is a requirement before a contract for over £100,000 can be entered into. Accordingly the contract for this well established partner will be issued below that threshold in the first instance and revisited later.</p> <p>Questions were raised about the differential between the College's management fees which ranged from 15 to 30% and an explanation was provided that the range reflects the support requirements of the providers. Subject to finalising the insurance arrangements in place, the Committee approved the partner delivery planned for 2015/16 as set out in the Appendix to the paper.</p>	
10.	<p>Health & Safety Report</p> <p>The 2014-15 End of Year Summary was received in which the increase in reported incidents from 60 in 2013-14 to 110 in the current reporting year was the subject of comment and the reason for this being due to the way in which they are reported.</p> <p>In the course of their detailed scrutiny of the Report attention was drawn to the statement about new format 8-weekly checks designed to provide more thorough departmental inspections, including fire door checks. It was highlighted that such an inspection interval is unacceptable and agreed that a check will be made to ascertain the time cycle for the inspection of fire doors.</p>	IVP,FPR
11.	<p>Stamford Plus Limited</p> <p>Recent changes in senior staffing have resulted in the Chair of the Corporation being the only Director remaining. It was agreed that the number of Directors should increase to four with the following post holders being agreed: Corporation Chair, Chair of the Finance & Resources Committee, the Principal and the Vice Principal, Finance. A recommendation will be made to the Corporation for these appointments which it was emphasised need to be resolved without delay so the Company can be used for additional purposes.</p>	IVP,FPR
12.	<p>Review of the Committee's Terms of Reference</p> <p>It was agreed that two amendments to the Committee's current (April 2015) Terms of Reference will be recommended to the Corporation for approval:</p> <p>Firstly to add a specific requirement for the Committee to scrutinise the Financial Regulations and recommend them to the Corporation for approval and, secondly to provide the mechanism for the Corporation to delegate the scrutiny and approval of HR Policies to the Committee.</p> <p>Thereafter the next step will be for the Corporation to agree which policies it delegates to the Finance & Resources Committee for scrutiny and approval whilst ensuring that fundamental Policies that cover matters where the College has legal duties remain as matters for the full Corporation. It was confirmed that policies relating to Senior Post Holders would also be reserved to the full Corporation.</p>	Clerk
13.	<p>Any Other Business.</p> <p>(i) Management information from Finance Department – a question was asked about its availability in response to which it was stated that short staffing in the department had caused some difficulties but that with a recent new appointment the service should improve.</p>	

	<p>(ii) Report from the Committee Chair – It had been suggested that Committee Chairs are asked to produce a report about the proceedings at meeting for the benefit of other Members. However, if this is to happen it was emphasised that the minutes of meetings will need to be produced quickly and suggested that drafts are uploaded to the e.governance system.</p>	
14.	<p>Date and time of the next meeting It was agreed that the next meeting of the Committee will take place on Wednesday 9th December 2015 at 4.00pm in the Executive Boardroom</p>	
15.	<p>Close The meeting ended at 6.05pm.</p>	

Signed

Date