

FINANCE & RESOURCES COMMITTEE MEETING

Date	Wednesday 9 th December 2015	Time 4.00pm	UNRESTRICTED: (FINAL)
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Venue	The Executive Boardroom, New College Stamford
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Chair	Jean Bevan
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<p>Members present: Jean Bevan, Debbie Dear, Sarah Hobbs, Yasmin Ilahi and David Pennell In attendance: Andrew Clare (Interim Vice-Principal, Finance, Planning & Resources and Sally Brook Shanahan (Clerk to the Corporation)</p>
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<p>Apologies: Alison Grant (Corporation Chair) has a standing invitation to attend meetings of the Committee and her apologies for absence were received.</p>
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<p>Disclosure of Members Interests: There were no disclosures of interests beyond those already declared in the Register of Interests.</p>

Item	Actions
<p>1. Minutes of the Meeting held on 22nd September 2015 The minutes of the meeting of the Confidential Finance & Resources Committee held on 22nd September 2015 were agreed and signed by the Chair as a true record.</p>	
<p>2. Actions from the Minutes of the Meeting held on 22nd September on 2015 (i) <u>Action No. 2, Minute 7, Page 5 – Human Resources & Organisational Development Report</u> – The Health, Safety & Wellbeing Policy will be recommended to the Corporation for approval at its meeting to be held on 16th December 2015 and so the Action can be closed. (ii) <u>Action No. 4, Minute 10, Page 6 – Health & Safety Report</u> – The 8 weekly checks of fire doors are a corporate responsibility and via the Estates Team these checks will continue to be recorded in the log that is maintained by the Health & Safety Officer and with its contents reported to the Health & Safety Committee. In addition it was confirmed that visual checks will be made every day as part of the embedding of the responsibility that everyone in College has for Health & Safety. However, in order to ensure the responsibilities for all checks are clear, the procedures will be looked at to ensure this is the case and an assurance will be provided to Members about the inspection procedures and responsibilities. It was confirmed that any issues arising will be referred to the Health & Safety Committee whose meetings are chaired by the Head of IT & Resources and always attended by the Principal and/or the Interim Vice Principal. (iii) <u>Action No. 5, Minute 11, Page 6 – Stamford Plus Limited</u> – The Finance & Resources Committee had considered the appointment of Directors and agreed that the following post holders will be recommended to the Corporation as the Directors of Stamford Plus Limited: Principal, Chair of the Finance & Resources Committee and Vice Principal, Finance. In addition the Committee recommended a further appointment, which could be a co-optee but not a person who is a member of the Audit</p>	IVP,FPR

	<p>Committee. This appointment was left open to be filled at a later date.</p> <p>(iv) <u>Action No. 6a, Minute 12, Page 6 – Review of the Finance & Resources Committee’s Terms of Reference</u> – The Action will be complete when the Scheme of Delegation is approved. Good progress has been made with the draft that is included on the agenda for the Corporation’s meeting on 16th December 2015 and so the Action can be closed.</p> <p>Actions from the Minutes of the Meeting held on 1st July 2015</p> <p>(v) <u>Action No. 7, Minute 10, Page 6 – Health & Safety Report</u> – The Actions remain open with it agreed that a Health & Safety “organogram” and Authorisation Matrix will be circulated to Committee Members in addition to the items already agreed for circulation and confirmation.</p> <p>Actions from the Minutes of the Meeting held on 11th March 2015</p> <p>(vi) <u>Action No. 9, Minute 8, Page 6 – Human Resources and Organisational Report -</u> The detailed reasons for sickness absence between August 2014 and January 2015 and the associated costs to provide cover will be circulated to Committee Members. The Action remains open.</p>	IVP,FPR
3.	<p>Apprenticeship and Business Development Report</p> <p>The Interim Vice-Principal, Finance, Planning & Resources introduced the Report that had been prepared by the Executive Director, Partnerships, Skills & Commercial Development, and commented that even though it showed the College is ahead with its sign-ups there remains a great deal of work to be done in order to ensure that learners are progressed more quickly. He emphasised that the College needs to be significantly ahead in the current year so that those learners can be carried forward into next year.</p> <p>Committee Members noted that the implementation of the “Smart Assessor” e.portfolio system, scheduled to go-live in August 2015, had been delayed and asked why this slippage had occurred. It was explained that it was due to a combination of factors including staff changes and other priorities in the team at the start of the new academic year. It was confirmed that the technology – both hardware and software - is ready and available and so its implementation is down to the team. The end of August date for this to happen had been chosen so that all new starts would be included on the system which meant that the delay has resulted in a loss of impetus to get learners on to it. Following discussion in which Committee Members expressed their concern about the impact of the delay it was emphasised that the system needs to be implemented by January 2016 at the latest.</p> <p>As the e.portfolio system is a tool for monitoring quality it was acknowledged that the need to ensure the system is properly implemented and that there is robust monitoring in place will be matters about which the Quality & Standards Committee needs to seek assurance.</p> <p>The point was made emphatically that if timely achievements are not being tracked then the College is at risk of being issued with another Notice to Improve and this must not be allowed to happen. The College has invested in the new system to avoid the data lag with the current manual system which means its implementation is a top priority. The Interim Vice-Principal, Finance, Planning & Resources will ascertain the up to date position and provide a verbal progress report to the Corporation at its next meeting on</p>	

	<p>private sector approach including the potential for the College to have its own internal recruitment agency and the need for the same robust processes to apply to the recruitment of permanent and temporary positions. In this context the opportunities to use Stamford Plus Limited as the vehicle for all recruitment were highlighted together with the need for recruitment specialists, rather than HR generalists, to be engaged on these activities. Whilst the information provided about HR matters had improved, the need for the team to respond more creatively to recruitment needs was noted and a suggestion made that the team ought to include a recruitment specialist.</p> <p>Members noted there are 13 recruitment campaigns in progress and questioned if this level of turnover will continue and the impact of vacancies on learners. It was confirmed that temporary cover will be secured through Teach FE, which is a trading name used by Stamford Plus Limited.</p> <p>This wide ranging discussion led to a question being asked about recruitment strategy and agreement that a headline summary of the Recruitment Strategy will be presented to the Committee at its meeting on 23rd February 2016 including recruitment methodology, techniques, new systems, on-line opportunities and the use of CVs.</p> <p>Turning to the section in the Report about Staff Development, Members asked about the arrangements for Teach FE staff. It was confirmed that they benefit from a 3-day Induction that also serves as a trial period and that afterwards they go straight into the classroom. The feeling was expressed that this may be throwing them in at the deep end and so the position will be reviewed and the findings reported back to the Committee including if any changes are needed.</p> <p>In relation to the Legal Update contained in the Appendix to the paper attention focussed on those where the progress was rated “Red”. In relation to the first of these, a recommendation was made that it is unnecessary for time to be spent drafting and implementing a separate guidance document on conducting disciplinary proceedings for decision makers to read in conjunction with the disciplinary policy. On the second, about mandatory gender pay gap reporting, a Member advised that taking the actions stated as being required will be wasted time as the gender pay gap reporting requirements do not apply to education. On this basis it was agreed that the progress with both no longer needs to be “Red” and that the text in the “Progress” column will be revised to include a note to explain why actions previously recommended are not taking place.</p>	IVP,FPR
5.	<p>Management Accounts – October 2015</p> <p>Members received the Management Accounts for October 2015 and the accompanying summary of movements between the July 2015 Management Accounts and the Statutory Accounts for 2014-15 that tracks the final position reached.</p> <p>Members scrutinised the summary of the College’s financial performance to the end of Period-3. Attention focussed on the two Key Performance Indicators that were “Red” rated about Income and 16-18 learner numbers and with the benefit of discussion concluded that there was no cause for alarm at this stage in the year.</p> <p>Turning to the Operating surplus including restructuring Members were pleased to see that the year-end forecast outturn has improved from £36,000 to £57,000 primarily due to additional HE income. Cash days in hand continue to be favourable although the</p>	

	<p>number will reduce due to the SFA payment profile. The under recruitment of 16-18 year old learners does not affect income in 2015-16 but will result in a shortfall of around £350,000 in 2016-17. It was noted that at the start of the year the College had received more applications than in the previous year but their conversion is generally poor, although some applicants moved to apprenticeships. However the increased focus on learners being on the right course should mean more students are retained.</p> <p>A Member who had attended a recent Performance Review said she had asked questions about where young people who left the College had moved to and was surprised to be told the information was not available. It was confirmed that the processes are in place for it to be collected but there are currently gaps in the data that will be filled.</p> <p>Members were pleased to note that the College remains fully compliant with the Bank Covenant Terms and that this had been tested at the year end.</p> <p>Attention focussed on the more detailed analysis of the Management Accounts that showed the variances remained small with no underlying concerns to report. The Income & Expenditure statement tracks the changes in the Forecast and showed the cash flow broken down for the College and the Construction project. Members raised a number of questions including about staff savings, in repose to which it was confirmed that these were not as a result of there being fewer students. A review of the potential to merge classes will take place although it is already clear that staff utilisation will be lower than in the previous year due to the increase in the maximum number of teaching hours to 864. Members asked if staff will be doing additional added value work with students and it was confirmed that, within certain parameters, this is the intention. It was agreed that “Teaching Utilisation” will be added to the College’s Key Performance Indicators.</p> <p>A discussion took place that focussed on the curriculum areas where student numbers were down on the previous year including Construction, Animal Care and Sport. In this context a member challenged why the College is supporting a new A Level opening just two miles away when the College is short of 16-18 students. In summary the response given was that it is better for the College to be part of the on-going development rather than be an outsider and this approach should help it limit any potential damage by being the College of choice for students who want to follow vocational courses.</p> <p>It was emphasised that the gap of around £350,000 that will be created in next year’s budget as a consequence of under recruitment in the current year cannot be plugged by staffing changes alone. It was confirmed that there is no plan to run at a deficit and so attention will be focussed on areas of growth. A member observed that the College has already been restructuring for two years and yet still is only budgeting for a surplus of £57,000. A request was made for information about the departments where further cuts and changes need to be made in order to plug the expected funding shortfall.</p>	<p>IVP,FPR</p> <p>IVP,FPR</p>
<p>6.</p>	<p>Funding Update</p> <p>Members received the summary of projected student numbers and funding for 2015/16 against the allocation that showed the College to be effectively £369,737 overfunded in the current year for 16-18 students with a shortfall next year. 16-18 Apprenticeship income currently stands at £153,208 and will increase to £412,093 if all complete their</p>	

	<p>programme. The Adult Skills Budget was reduced by 2.7% at the start of the year and is now expected to have a shortfall of £122,000 mainly on work with Gladca where the allocation is smaller than anticipated due to restrictions on the size of the contract that can be placed with that organisation pending the outcome of its ROTO application. Once this is resolved the intention is to have discussions about further work after Christmas. With other contractors having efficiently delivered short provision Members were reassured that an effective funding strategy is in place.</p>	
7.	<p>Financial Statements 2014/15 Members received confirmation that the draft financial statements had previously been previously scrutinised by the Audit Committee and questions were invited. In the course of the discussion it was confirmed that the College has appointed an Access Co-ordinator which is referred to in the Disability Statement on page 8. Overall Members approved the draft Financial Statements and agreed to recommend them to the Corporation for formal approval at its meeting on 16th December 2015.</p>	
8.	<p>Capital Project Members had benefitted from a visit to the construction site immediately prior to the meeting and has seen that the only issue is with the floor where the work to sand the former gymnasium floor has failed to remove the marked lines for the sports courts. It was confirmed that there is time available in the schedule for this to be rectified as the build is ahead of schedule with the intention that this will be at no cost to the College. Members commented on the high specification and in response to questions it was confirmed that all requirements in relation to noise abatement during construction have been met with no complaints received from neighbours during this phase.</p> <p>It was confirmed that orders are just about to be placed for the equipment, the moving date has been agreed and the project remains in budget.</p>	
9.	<p>Indemnity Insurance In the context of the changes in the FE sector an enquiry had been made about the cover available for Members that currently is at a level of £5m per governor against a sector norm of £1m. A question was asked about the College's ability to choose its own solicitors under the policy terms or if it would have to use a panel. It was explained that usually, for an extra fee, the insured is able to choose its own lawyers and so this option will be investigated and confirmation sought about whether the policy included legal fees expenses insurance.</p>	
10.	<p>Any Other Business. None.</p>	
11.	<p>Date and time of the next meeting It was agreed that the next meeting of the Committee will take place on Tuesday 23rd February 2016 at 4.00pm in the Executive Boardroom</p>	
12.	<p>Close The meeting ended at 6.15pm.</p>	

Signed

Date