

FINANCE & RESOURCES COMMITTEE MEETING

Date	Tuesday 6 th December 2016	Time 4.30pm	UNRESTRICTED: FINAL
Venue	The Executive Boardroom, New College Stamford		
Chair	David Pennell		

Members present: Peter Fraser, Jessica Green, Anthony Partington, David Pennell and Marvin Solowo-Coker.

In attendance: Janet Meenaghan (Principal), Andrew Clare (Vice-Principal, Finance & Resources), Alison Fox (Assistant Principal, Partnerships & Skills), Rachel Nicholls (Vice Principal, Curriculum) and Sally Brook Shanahan (Clerk to the Corporation)

Apologies: Yasmin Ilahi. 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
<p>1. Minutes of the Meeting held on 30th June 2016 Subject to one amendment to attribute the view expressed in the "Apprenticeship Levy" sub-paragraph in Paragraph 5, on page 5 of the final draft to David Pennell, the minutes of the meeting of the Finance & Resources Committee held on 27th September 2016 were agreed and signed by the Chair as a true record.</p>	
<p>2. Actions Table and Matters Arising</p> <p>From the Minutes of the Meeting held on 27th September 2016</p> <p>(i) <u>Action No. 2, Minute 4, Page 3/4 – Management Accounts –Draft year ended 31st Jul7 2016</u> – The full asbestos survey has not yet been commissioned</p> <p>(ii) <u>Action No. 4, Minute 7, Page 5 – Health & Safety Report</u> – The Minutes of the Health & Safety Committee will be circulated to Committee Members to enable any matters of concern to be raised at the Committee's next meeting. It was agreed the best way to do this will be for the Health & Safety Committee Minutes to be added as a standing item on future agendas. In the event of any major incidents/accidents, it was agreed details of these would also be circulated to the Committee Membership. The Vice Principal, Finance & Resources confirmed there were none to report on this occasion.</p> <p>The Principal said she had taken on board the suggestion to include Health & Safety on the KPI Dashboard and confirmed she will be presenting the updated Dashboard to the Corporation at its next meeting on 14th December 2016.</p> <p>A discussion followed about the files kept on different College areas and the audits carried out including the 8-weekly checks. The Vice-Principal, Finance & Resources emphasised the need to ensure legal compliance without the need for bureaucracy. The Principal informed Members she had recently joined the Health & Safety Committee and said the construction of a Health & Safety organogram is currently</p>	<p>Clerk</p> <p>VPF&R</p>



under consideration.

From the Minutes of the Meeting held on 30th June 2016

(i) Action No. 2, Minute 4, Page 3 – Management Accounts – May 2016 – The Principal confirmed the Vice Principal, Curriculum & Quality had been invited to join the Board of Stamford Welland Academy. The Principal had submitted a reference for the Vice Principal, Curriculum & Quality to the Academy and she was awaiting her appointment date.

It was noted that all remaining Actions have either been completed or are to be completed by dates in the future.

3. Business Development Update

The Assistant Principal, Partnerships & Skills, introduced the paper which gave an update on Business Development activity and introduced the Action Plan to record how the aims of the Apprenticeship Growth Strategy were being implemented.

Members reviewed the Apprenticeship starts in 2016/17 detailed in the paper which showed the number of starts was up by 21% with the current cumulative total no standing at 90. Members commended this move in the right direction and also noted that a request had been made to the Skills Funding Agency for an increase in 19+ Loans.

The Assistant Principal, Partnerships & Skills reported to Members on her engagement with local employers including Clinical Commissioning Groups who were particularly interested in the delivery of business administration and care Apprenticeships. Other employers currently in discussions with the College included Perkins Engines, The Caring Company Rutland and Bluebird Care.

Further progress updates since the Committee's last meeting included the purchase of a Customer Relationship Management module upon which staff will be trained after Christmas 2016. Three Apprenticeship Levy events have also been scheduled to take place in the new year. The in-house Marketing team were designing the invitations with the plan being to hold a breakfast, lunch and evening event on the same day. Further events are also being planned for Apprenticeship Week in March 2017. The indications were employers are keen to participate in the seminars which do not need to be deferred now that the government had published final details.

It was confirmed the College had applied to join the Register of Training Providers. In reply to a question from David Pennell about how this tied in with the Apprenticeship Company, the Principal said the College would be subcontracting some of its funding to it. She went on to explain that in due course the Apprenticeship Company will apply to go on the Register of Training Providers in its own right but that until it has established a track record it will not be accepted. A discussion followed about routed in to the Register which had received 1790 applications of which 790 were currently accepted. David Pennell asked about clarity on the detail and the Assistant Principal, Partnerships & Skills assured him it was clear the Apprenticeship Company is about delivering the training and not about helping it to get on to the Register.

Responding to the reported 1% reduction in income (£9K) that was reported if enrolments remain at the same level, Marvin Solowo-Coker enquired about how this

was modelled. The Assistant Principal, Partnerships & Skills explained it was not as a result of other taking the College's business but due to transitional funding. A discussion followed about the risks to market share from the 789 other registered training providers competing for business. David Pennell asked how the College will be sold as the provider of choice against this challenge. The Assistant Principal, Partnerships & Skills said it would be through differentiation on quality and support. She went on to report on the recent discussions with Perkins who have a massive Levy pot and to whom the College has not previously delivered Apprenticeships. David Pennell strongly urged that the forthcoming seminars should include information about how the College can help employers in addition to the facts about the Levy. Andrew Clare endorsed this view and the importance of seeing both the threats and opportunities presented by the Levy. Marvin Solowo-Coker added that it needed to be clear why employers will come to the College and emphasised that thought was required about how it was sold. In response to his question about awareness of the competition, the Assistant Principal, Partnerships & Skills said she had met with a potential competitor, Peterborough Regional College earlier in the week to discuss the support NCS could give them around advertising, recruitment interviewing and wrap around support. In order to spell out the reasons NCS can meet the challenge of local competition Marvin Solowo-Coker asked for a matrix to be put together that documented them.

APPS

Overall David Pennell said he saw Apprenticeships and the Levy as a massive opportunity which must be "nailed" at the employer events that the College is running. He also advocated the need for the challenge to be approached as a business as opposed to an education launch.

Members asked for feedback to be provided from the Levy event.

APPS/
Principal

It was noted the General Manager for Trio Training starts employment on 3rd January 2017 and that the initial measure of their success will be in terms of starts.

David Pennell initiated a conversation about how the College will relate to employers on the date of the Levy training event. The Assistant Principal, Partnerships & Skills explained she had an information list of local employers in place along with case studies which would be particularly helpful in the event any of them speak on the day. Asked about industry specific events, she said there were none planned at present. Anthony Partington suggested a schools event would be beneficial as many would have pay bills greater than £3m and so be Levy payers. He thought both a Teaching Assistant Apprenticeship and others focussed on Administration, Finance and IT in education should be considered as areas for apprenticeship development. The discussion continued about the opportunities for other separate industry events in which the Assistant Principal, Partnerships & Skills noted that as she was already a part of the Care Forum in Stamford, she would suggest an apprenticeships slot at the Group's next event.

APPS

VPC&Q

Marvin Solowo-Coker referred to Trio Training, the joint venture company, whose remit related to logistics and asked whether there were other sizable companies the College could partner with in order to offer a one-stop shop. Members asked that the potential for this is reviewed in order to facilitate cross selling.

APPS

	<p>Members exchanged a number of further ideas including the establishment of a marketing umbrella company and suggested there may be up to twelve colleges who may join up.</p> <p>David Pennell emphasised the vital importance for the College to be there and ready at the inception of the market place on the chosen launch date of 26th January 2017. He asked for the presentation to be delivered at the event on 26th January 2017 to be given to the Committee and for the slides to be included in the pack for the Committee's next meeting.</p>	<p>APPS & Clerk</p>
<p>4.</p>	<p>Human Resources & Legal Update</p> <p>Members received the Report which was the second of the current academic year focussed on strategic updating, including statistics and progress against KPIs.</p> <p>At 2.98%, Members noted the current level of sickness absence was just below the FE Sector average of 3.0% derived from the AoC Annual Survey. In response to questions it was confirmed the figure included all absence from teaching and support staff and that there was confidence that all absence was being reported. A discussion followed in which reference was made to the differential absence figures between sectors that ranged from 2.5 - 3.5% in the private sector up to 7.0 - 8.0% in the NHS. Attention then moved to the cost of absence which was noted as being an immediate direct cost in relation to cover for teaching staff but with generally only the long term absence of support staff being covered. It was clarified that long term absence for this purpose was any period over one week and that the current level was 1.6%. Members expressed views about the use and relevance of the statistics and suggested that short term absence was the most relevant measure as that was absence that had the potential to be reduced. In order to assist their on-going scrutiny Members asked for breakdowns of certified versus non-certified absence and other categories of absence by department and for the figures showing the agency versus permanent staff absence comparisons to be brought to a future meeting.</p> <p>Members then reviewed the staff turnover figures which had dropped gradually from a peak of 24.6% about twelve months earlier to the current level of 19.03% compared to the sector average of c.20%. Members discussed the benefits of having a turnover target and concluded it was subjective and unclear what "good" would look like so there was no recommendation for one to be adopted. Overall there were no current concerns with leavers and so Members were content to continue to monitor the position.</p> <p>Members discussed the Legal Update noting the key matters for their on-going review were developments arising out of the decision to leave the EU and changes to the salary sacrifice scheme arrangements.</p>	<p>VPF&R</p>
<p>5.</p>	<p>Management Accounts – October 2016</p> <p>Members received the paper and the Management Accounts for the period to the end of October 2016, noting that the Vice Principal, Finance & Resources was trying to get the accounts covering the period to the end of November ready for presentation to the Corporation at its next meeting on 14th December 2016.</p> <p>The Executive summary for the period to the end of October 2016 showed a £7K variance below budget as a result of pay costs being lower than budget. Members</p>	



noted learning loans were up and tuition fees down in the period. The most important point related to 16-18 learner numbers which were 177 below the College Target and 106 under the allocation of 1,850 which would have an impact on the funding for 2017/18. As a consequence, Members were briefed about the "Closing the Gap" exercise that was currently being worked on in order to meet the challenge of the loss of income due to the 16-18 recruitment shortfall. It was noted the outcomes from this work would be pulled together in order to feed into the forthcoming budget reforecast.

A discussion about the opportunities for growth followed in which Members acknowledged the key role that apprenticeships would play. It was reported that the Vice Principal, Curriculum & Quality had done a piece of work about conversion of applications which, at 55%, was low. As a consequence the ways in which the College can be more competitive were being examined including using "keep warm" activities, social media and taster days as well as ensuring applicants have a good experience when they come in for interview and that the College fully sells its unique selling points including the welcoming environment. Anthony Pennington advocated the targeting of potential apprentices from the Year 10 cohort whilst acknowledging the leverage that schools had amongst that group of students and the difficulties encountered in getting the message about vocational opportunities into some schools. Members discussed what would be an appropriate target and concluded a 10% improvement would be excellent particularly against the background of a reducing 16-18 demographic in Lincolnshire over the next five years. Peter Fraser reminded Members of the impact of the "right student, right course" approach that had meant some students had been lost in order to maintain the optimum balance between the quality and quantity of learners. Reference was made to the new "Fresh approach" employability programme to assist students in the first 42 days of College. Jessica Green endorsed its success and told Members about four friends who had gone into full time work as a result of being on the programme.

In relation to other key points on Income reference was made to the MOT Training Centre in respect of which it was clarified the cumulative delayed income was £50K. Good progress was reported towards the Centre being operational in November following the appointment of a new lead and its imminent accreditation. Go live was now expected to be in the second week in January 2017 with the new lead undertaking additional training in London in the meantime. In response to a question it was confirmed the only costs being incurred related to the direct salary cost. Marvin Solowo-Coker enquired about the student intake required to generate the projected income. It was confirmed it depended on the type of course on which they wished to enrol which ranged in price from £100 to c. £1,000 and that the website was now live for bookings. In reply to a further question from Marvin Solowo-Coker about the payback period for the investment in the Centre, the Vice Principal, Finance & Resources said it comprised £40K for the ramps only, as the Centre was operating from a disused building, and that it would be recouped in year 2. The Principal assured Members that learning points had been taken on board from the earlier staffing position which had been outside the College's control and that the new manager had a relevant business background who had been attracted by the opportunity to set the Centre up and was keen to develop it.


David Pennell said he was concerned that a recent a Google search for an MOT Training Centre in Stamford delivered no results. It was agreed this issue will be

	<p>investigated and action will be taken to ensure the location is apparent. As a consequence of the issues with the previous manager the College had lost three months during which time he asked whether others had stolen a march. The Vice Principal, Finance & Resources said this would not have happened as all potential operators would have encountered the same issues around accreditation. In order to provide Members with the more detailed information they required about the Centre, a progress report will be presented to the next meeting including incomes received, a re-forecast and the monthly running costs of the Centre.</p> <p>Attention focussed next on the cash balances summary where it was noted the actual balances had been greater than forecast as the year end outturn was higher and sub-contractor payments had different profiles. In response to a question from David Pennell about whether he had any concerns in relation to Income & Expenditure, the Vice-Principal, Finance & Resources said he had none at present and remained fairly confident the College would achieve its outturn position noting this should be on the basis the current year's overfunding is excluded as the target must be to achieve the budget on that basis.</p>	<p>VPF&R</p> <p>VPF&R</p>
<p>6.</p>	<p>Draft Financial Statements 2015/16</p> <p>The Vice Principal, Finance & Resources confirmed the Financial Statements were scheduled to be signed off by the Audit Committee at its meeting the following day. He noted they remained subject to any adjustments in the financial tolerance letter that had not yet been received. It was confirmed no issues had arisen following the funding audit that had been conducted over the summer.</p> <p>Members noted the 2015/16 Financial Statements were the first the College had prepared under FRS102 and drew attention to the new Consolidated statement of Comprehensive income for the reporting year that replaced the former Income & Expenditure statement. The new Statement included the restatement of the prior year's figures which resulted in the reported surplus going to a loss as a result of pension adjustments. The main point to note was that the College continued to be in compliance with its banking covenants as it continued to report a surplus.</p> <p>An in-depth discussion followed about the biggest potential impact on the College's financial position which was from pensions. The Vice Principal, Finance & Resources noted that the sector was moving to a cash based operating position and thereby taking out such anomalies. Meanwhile the College continued to employ staff with access to either the TPS or LGPS and the Vice Principal, Finance & Resources explained how the College was challenging the assumptions and the sensitivity of the figures.</p>	
<p>7.</p>	<p>Learner Numbers and Funding Update</p> <p>Members noted this item had already been covered at item 5 earlier in the meeting.</p>	
<p>8.</p>	<p>Interest Rates – Standing bi-annual Item</p> <p>It was reported that the College's returns are minimal with currently all its cash invested on 32 days' notice. Other options have been explored for 12 month investments but the highest rate available was only around 1%. With the minimal difference in the interest rate the Vice-Principal, Finance & Resources said he did not feel the matter warranted much time being spent looking for alternatives. The Senior Leadership Team had also discussed strategic acquisitions instead, including property purchase, but concluded they were unable to take the risk with College monies.</p>	



9.	Stamford Plus Limited – Standing Item The appointment of David Pennell as a Director of the Company was agreed. The Committee received the Company's Financial Statements for the period ended 31 st July 2016 and noted its turnover during the period was in excess of £1.5m.	
10.	Annual Review of the Committee's Terms of Reference Following on from the establishment of the new Joint Venture Company – "Trio Training" - with Boston and Grantham Colleges it was agreed the Committee's terms of reference should be amended to include the monitoring of the company and recommended to the Corporation for approval.	Clerk
11.	Any other business None.	
11.	Date and time of the next meeting It was agreed that the next meeting of the Committee will take place on Tuesday 24 th January 2017, subsequently changed by agreement to Tuesday 14th March 2017 at 4.30pm in the Executive Boardroom	

The meeting ended at 6.20pm.

Signed 

Date 14th March 2017

