



## FINANCE, STAFFING AND GENERAL PURPOSES COMMITTEE

### Minutes of Meeting on Thursday 16 June 2016

<b>Present:</b>	Mr J Turner ( <i>Chair</i> )	Chair of Governors
	Mr S Holderness	Governor
	Ms S Overton-Edwards	Principal
	Ms S Munden	Staff Governor
<b>In Attendance:</b>	Mr J Bagley	Vice-Principal Curriculum
	Mr N Leivas-Mistry	Vice-Principal Quality
	Mr H Ravat	Vice-Principal Resources
	Mr R Mansfield	Clerk

Ref.		Action
F/16/31	<p><b>Item 1 – Apologies for Absence:</b> An apology for absence was received from Harshad Solanki. The meeting was declared quorate. John Turner welcomed back Shirley Munden after her recent absence.</p>	
F/16/32	<p><b>Item 2 – Declaration of Interests in Agenda Items:</b> There were no declarations of interest in agenda items.</p>	
F/16/33	<p><b>Item 3 – Minutes of Previous Meeting and Matters Arising:</b> The minutes of the meeting on 26 May 2016 were accepted as an accurate record and were duly signed by John Turner. Under matters arising, Robert Mansfield confirmed that he had placed on the agenda for the Board on 28 June 2016 the policies commended by the Committee. James Bagley reported that the College was giving further consideration to proposals received for modernising the website, in view of the potential costs involved.</p>	
F/16/34	<p><b>Item 4 – Estates Issues:</b> <i>4.1 Estates Matters</i> Hamid Ravat presented an oral report on estates matters. The Planning Application for the Blackbird Road site was expected to be considered by the Planning Committee in the autumn of 2016. In the meantime matters arising were under discussion with Planning Officers. The programme of summer works would include, as previously reported, minor painting and decorating works and carpet replacements. It had however also been decided to replace the gas boiler during the summer. The Committee expressed</p>	

surprise that the boiler should require replacement after six years. Hamid Ravat said that the gas boiler had caused problems during a recent period when the biomass boiler had been out of service, and it was judged prudent to replace the gas boiler in advance of the next winter. Suzanne Overton-Edwards asked whether the College might apply for Condition Improvement Funding. Hamid Ravat said that this had been investigated; the project was however out of scope for such funding.

***The meeting received the report on estates issues.***

#### *4.2 Development of Mezzanine Floor*

Hamid Ravat displayed a plan showing the location of the proposed mezzanine floor and a possible layout for the new study space this would create. Sufficient electrical and network capacity was already installed to support the development. Building Control had given consent to the development, albeit initially for use by 60 students, and was to notify the Fire Service accordingly. The development would enable the College to convert space in five pods into classrooms, thereby creating accommodation for 100 to 150 more students. (Suzanne Overton-Edwards advised the meeting that this increase was compatible with the wording of the Strategic Plan for 2016/2017.)

The proposed capital budget for 2016/2017 included a provision of £140K to cover fees, the construction of the floor, and electrical and network connections. If the actual cost proved to be higher, he suggested that Chair's Action might be used to approve the additional cost. John Turner asked whether the figure of £140K included the costs of furniture. Hamid Ravat said that there was a further £10K provision for this elsewhere in the capital budget. John Turner asked whether after the erection of the proposed mezzanine floor the frame of the building would be capable of supporting a second mezzanine floor above the first. Hamid Ravat said that the architects had, as instructed, taken this into account. Before the construction of a second mezzanine floor a detailed architectural and structural survey would however be required.

Hamid Ravat said that it was planned to move 60 computers from Media Studies, which needed newer machines, to the open study area created by the mezzanine floor. He confirmed that the floor should have been installed by the start of the next term, though some electrical work would probably be undertaken after the start of the term.

***The meeting received this oral report, and confirmed its support for the proposed development.***

#### *4.3 Health & Safety Statistics*

Hamid Ravat presented the health & safety statistics for the year to date. There had been a small recent increase in reported incidents and accidents. It was noted that the statistics took no account of the steadily rising numbers on site. The major single driver of increases was however usually poor weather.

***The meeting received the health & safety statistics.***

F/16/35

#### **Item 5 – Finance Issues:**

##### *5.1 Learner Numbers and Funding 2015/2016*

Hamid Ravat presented a report on learner numbers and funding. This was based upon the June Individual Learner Report and reflected minor changes only on the previous report to the Committee.

***The meeting received the learner numbers and funding report.***

##### *5.2 Operating Results 2015/2016*

Hamid Ravat presented the operating results to May 2016. The reported surplus was £104K below budget. Income had been £3K above budget. Pay expenditure was £3K below budget. Non-pay expenditure to date was £111K over budget: the unprecedented over-spend of £167K on supply staff (mainly caused by recruitment of additional students, including higher needs learners, and maternity cover) had been partly mitigated by favourable variances, notably on premises utilities.

He estimated that the likely outturn for 2015/2016 would be a surplus of around £100K to £150K rather than the budgeted surplus of £200K.

The balance sheet remained stable. The cash position stood at over £2.9 million. Hamid Ravat reported that, with the exception of the operating surplus, the financial KPIs were in line with targets or better.

***The meeting received the operating results.***

##### *5.3 Budget 2016/2017*

Hamid Ravat presented the draft budget for 2016/2017. The context was one of declining income (by 1%) as a result of reductions in formula protection funding and funding for High Needs Students, even though the learner number target from the Education Funding Agency (EFA) had increased by 55, in line with the current roll. Pay costs were projected to rise by 4% and non-pay costs by 1%. (The College was committed to the full-year cost of the current National Insurance contributions, national teaching staff pay reforms, and additional staff to cope with additional students, and had budgeted also for a 1% national pay award.) As a result the

budget projected a deficit of £75K. Hamid Ravat said that even this was likely to be challenging, particularly if the College had again to make unbudgeted recourse to Supply Staff.

The budget projected a small positive cash-flow – a continuing College strength. The Balance Sheet remained reasonably stable, though the implementation of FRS 102 would move the reporting of deferred capital grants from Reserves to Long Term Creditors, thereby reducing the College's Net Assets to £5.4 million. John Turner questioned the valuation of the FRS 17 Pension liabilities. Hamid Ravat said that the College would be advised of the next revaluation when it had taken place; it was however impossible to predict the outcome, and he had therefore left the figure unchanged.

He then reviewed the capital budget, the main content of which was related to IT.

***The meeting commended the budget to the Board for approval.***

#### *5.4 Financial Forecast 2016/2018*

Hamid Ravat presented the financial forecast for 2016/2018. This showed projected deficits of £75K for both years covered by the forecast. The financial health grade determined by the EFA was expected to be 'Good' for both years. Cash-flows were forecast to remain narrowly positive. He believed that the forecast was realistic. John Turner expressed his concern that the College would breach its bank loan covenants if it continued to operate in deficit thereafter. Suzanne Overton-Edwards thanked Hamid Ravat for the hard work, rigour and attention to detail that he had applied to the preparation of the budget and the financial forecast.

***The meeting commended the financial forecast to the Board for approval.***

### **F/16/36 Item 6 – Human Resources Issues:**

#### *6.1 Staffing Update*

Naz Leivas-Mistry presented the staffing report. Headcount was very close to budget. There had been no new members of staff and one leaver. Three teachers were on maternity leave. Of the six vacancies reported four had now been filled and there were large numbers of applicants for the other two. The College was in a strong position. The sickness absence of teaching staff remained below national comparators, while that for corporate services was now above these benchmarks. The one member of staff reported as on long term sickness had now returned.

***The meeting received the staffing update.***

## *6.2 Staff Survey Follow-up*

Suzanne Overton-Edwards provided an update on actions taken in the wake of the 2015 staff survey. The latest Staff Bulletin had been delayed and would be published shortly. There had been a recent meeting with NUT officials on the redundancy policy, on which there was now just one significant point of difference. There had been extensive consultation over the new timetable. Walkabouts by Senior Leadership Team (SLT) members had continued, but there needed to be more. SLT Question Time would be incorporated into the next training day, on 30 June 2016.

***The meeting received this report.***

## *6.3 HR Governance*

Naz Leivas-Mistry presented a paper setting out suggested metrics by means of which governors might assess the effectiveness of the HR function. Robert Mansfield reminded the meeting that in order to comply with the Code of Good Governance governors needed to follow best practice as regards the governance of HR. It was agreed that the aim must be to bring about improvement, and not to produce monitoring reports for their own sake. The meeting agreed that many of the measures lent themselves best to periodic (probably annual) reporting of trends. All data reported needed to be timely.

***The meeting received this report.***

## **F/16/37** **Item 7 – Marketing Issues:**

### *7.1 Marketing Update 2015/2016*

James Bagley advised the meeting that there was nothing new of significance to report about the College's marketing, given the recent date of the previous meeting.

### *7.2 Student Applications*

James Bagley referred the meeting to the dashboard data on student applications. This showed that applications to date were running at a level about 100 ahead of the numbers received at the same time in recent years. If the conversion rate remained constant, the College might expect to recruit about 60 additional students for 2016/2017.

There was then a discussion about the reasons underlying the College's continuing success. A key factor was undoubtedly the continuation of school visits. Shirley Munden, who had the lead role in interviewing, explained why, despite their high cost, visits were so valued by students and schoolteachers alike and hence made such an important contribution to the College's recruitment.

It was noted that retention had for various reasons declined in the current year, and the question whether the College needed to modify its recruitment process was raised. Suzanne Overton-Edwards said that she believed it was critical to involve parents earlier, and to enlist their support.

***The meeting received the presentation.***

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**F/16/38 Item 8 – General Issues:**

***8.1 Area Based Reviews***

Suzanne Overton-Edwards said that there was little new to report about the forthcoming Area Based Review. However she had just been notified that she would be contacted by telephone by the EFA on 21 June. She expected that she would then be advised of the process, the planned dates of meetings and the names of those who would conduct the local review.

***The Committee noted this report.***

***8.2 Progress against Strategic Targets 2015/2016***

Suzanne Overton-Edwards provided details of the latest progress against the strategic targets subject to scrutiny by the Committee.

***The meeting received this report.***

**F/16/39 Item 9 – Date and Time of next Meeting:**

The date and time of the next meeting would be confirmed when the Board received the cycle of meetings for 2016/2017.

**F/16/40 Item 10 – Any Other Business:**

***10.1 Planned Visit to Plovdiv, Bulgaria***

Suzanne Overton-Edwards presented a paper setting out details of a planned visit to Plovdiv at the instigation of a former student of the College. Although the expenditure was covered by existing budgets, Financial Regulations stipulated that overseas travel expenses must have appropriate approval.

***The Committee approved the estimate cost of £2,062.72 for this overseas trip.***