



## FINANCE, STAFFING AND GENERAL PURPOSES COMMITTEE

### Minutes of Meeting on Thursday 16 January 2016

<b>Present:</b>	Mr J Turner ( <i>Chair</i> )	Chair of Governors
	Mr S Holderness	Governor
	Ms S Munden	Staff Governor
	Ms S Overton-Edwards	Principal
	Mr H Solanki	Parent 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/16/01	<p><b>Item 1 – Apologies for Absence:</b></p> <p>There were no apologies for absence. The meeting was declared quorate.</p>	
F/16/02	<p><b>Item 2 – Declaration of Interests in Agenda Items:</b></p> <p>There were no declarations of interest in agenda items.</p>	
F/16/03	<p><b>Item 3 – Minutes of Previous Meeting and Matters Arising:</b></p> <p>The minutes of the meeting on 3 December 2015 were accepted as an accurate record and were duly signed by John Turner. There were no matters arising.</p>	
F/16/04	<p><b>Item 4 – Estates Issues:</b></p> <p><i>4.1 Estates Matters</i></p> <p>Hamid Ravat presented a brief oral report on the Blackbird Road land. Uncertainty had arisen over the application of Sport England's guidelines to the site, given the reduction in the developable acreage. The College's Land Agent was now involved in resolving this matter. Steve Holderness asked who would own the undeveloped area after the sale of the site. Hamid Ravat said that the whole site was to be purchased by Barratts; the College might receive additional value in the event that the undeveloped area was later developed.</p> <p><b><i>The meeting received the report on estates issues.</i></b></p>	

#### *4.2 Health & Safety Statistics*

Hamid Ravat presented the health & safety statistics for the year to date. The picture remained quite static and there were no underlying causes for concern.

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

#### **F/16/05 Item 5 – Finance Issues:**

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

Hamid Ravat presented a report on learner numbers and funding. This was identical to that presented to the Board at its meeting in December 2015. The report would be updated shortly after the next Learner Numbers Return in February 2016. The current report showed the College as being 57 learners ahead of target. The value of the difference was £121K.

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

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

Hamid Ravat presented the operating results to December 2015. The surplus was currently £33K ahead of budget. Income had been £17K above budget because of the higher number of High Needs Students. Pay expenditure was £35K below budget, in part because provisions had been made for annual pay awards (not yet paid) and a rise in National Insurance contributions due from April 2016. This variance was expected to have been eliminated by the year-end. Non-pay expenditure to date was £12K over budget: an over-spend of £73K on supply staff (mainly caused by over-recruitment of students) had been largely mitigated by favourable variances, notably on premises utilities (the result of a mild winter and a more favourable tariff).

Steve Holderness asked why there had been a spike in premises staff costs. Hamid Ravat said that this had resulted from temporary factors at the start of the academic year. He had undertaken a mid-year review of the likely outturn for 2015/2016, and he believed that this would be closer to a surplus of £150K than the budgeted surplus of £200K. The College had recently taken some steps to reduce the high costs of agency staff through recruitment. John Turner asked what would be the size of national pay awards if these were all agreed. Hamid Ravat estimated the cost at around £50K, dependent upon whether the teachers' award was agreed and, if so, was to be phased.

The balance sheet was stable. The cash position stood at over £2.8 million, close to forecast. Hamid Ravat reported that all financial KPIs were healthy, although the pay ratio was very close to target. John Turner thanked Hamid Ravat for a most useful report.

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

### *5.3 Course Sizes and Learner Programme Efficiencies*

James Bagley presented a paper on course sizes and learner programme efficiencies. He explained how funding was banded according to the age and planned learning hours of each student. The College had about 140 more students on programmes of below optimum size in 2015/2016 than in the previous year. This had arisen because timetabling changes had resulted in more clashes between subjects and enrichments. The College was working hard to reduce the number of these clashes and to boost the size of sub-optimal programmes, where practical. He expected that the position would have improved significantly before the next funding return was due. This issue was nevertheless likely to have an adverse effect on funding in 2017/2018. John Turner asked that an updated report be brought to the next meeting of the Committee.

JB

James Bagley presented comparative data for the years 2013/2014 to 2015/2016 showing the number of classes at, above and below the optimum sizes set by the College. There had been an improvement at level 1, little change at level 2, but at level 3 an increase in the number of small classes, partly as a result of growth in student numbers. The need to reverse this would probably have an impact on the future scope of the curriculum offer. Hamid Ravat said that he thought it would be useful to compare the College's data with SFCA benchmarks when these were published; this might also be helpful in discussions with staff. John Turner said that the College's funding was influenced its own data, irrespective of the SFCA benchmarks. Steve Holderness said that his experience of similar data, as shared between academies, was that they were not necessarily of great value.

***The meeting received the report on course sizes and programme efficiencies.***

### *5.4 Funding Outlook 2016/2017*

Hamid Ravat presented the Education Funding Agency (EFA) Grant Letter, just received, for 2016/2017. The basic funding rates of £4,000 and £3,300 for students aged 16/17 and 18 and above, respectively, were to be retained. However Formula Protection Funding was to be phased out, for the College over two years. (It was noted that there was likely to be an increase in local student numbers in the years to 2020, which offered the potential for some further growth.) GCSE English and Mathematics passes remained mandatory. Whilst free meals were to be retained, it appeared likely that there would be a substantial reduction in bursary funding. The EFA aimed to notify most institutions of their funding target for 2016/2017 by mid-February 2016.

Hamid Ravat had tried to interpret the likely impact of the detailed provisions in the letter and its appendices, and estimated that the College would see a reduction in total income of around £80K in 2016/2017. The College would also have to meet higher costs. He estimated that it might be possible to construct a break-even budget for that year, rather than the deficit that had been forecast.

He advised Shirley Munden that a break-even budget would probably not have a substantial adverse effect upon the rating of the College's financial health. Solvency and positive cash-flow were much more significant factors. Suzanne Overton-Edwards said it was clear that the College must continue to recruit as hard as was possible with integrity. The outlook was ever more challenging. Recruitment was considerably influenced by the curriculum offer. The College was considering offering apprenticeships, but these would need to attract *additional* students. The College's network of external contacts enabled it to monitor market trends. Steve Holderness said he was pleased that the College was actively listening to sources of market intelligence; this was vital. Suzanne Overton-Edwards said that the College's reputation was also critical, and she recognised the contribution of students as ambassadors and of Shirley Munden and her team in schools liaison.

***The meeting received the EFA Grant Letter.***

**F/16/06 Item 6 – Human Resources Issues:**

*6.1 Staffing Update*

Naz Leivas-Mistry presented the staffing report. Headcount was slightly above budget and was expected to remain so in the light of student numbers. There were no current vacancies. Staff absence for the year to date was continuing to run at below sector average rates. However two members of corporate services staff had recently suffered accidents and were expected to be off work for significant periods.

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

*6.2 Staff Survey Follow-up*

Suzanne Overton-Edwards said that there was nothing to add to the report that she had provided to the Board in December 2015. The next Staff Bulletin would be published within a few days.

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

**F/16/07 Item 7 – Marketing Issues:**

*7.1 Marketing Update 2015/2016*

James Bagley reviewed recent progress against the marketing plan. He highlighted coverage of College events in *The*

Leicester Mercury and growth in activity on certain social media. The success of the recent Open Day was ascribed to good publicity, good weather and the increasing strength of the College brand. An intern from De Montfort University had just started a project relating to social media campaigns and keeping prospective students 'warm'.

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

**F/16/08 Item 8 – General Issues:**

*8.1 Area Based Reviews*

Suzanne Overton-Edwards said that a recent meeting of the Strategy Working Group had progressed thinking regarding a statement of the College's stance in readiness for the Area Based Review. John Turner said that local colleges were awaiting details of the academisation process.

Naz Leivas-Mistry drew the attention of the Committee to the need to be mindful of the capacity of the College to deal with the inevitable requests for information in connection with the review. The Senior Leadership Team was considering the use of additional resource. Harshad Solanki asked whether such resource might be provided by university students.

Suzanne Overton-Edwards said that knowledgeable professional support was required and that potential assistance was available via the Association of Colleges.

***The Committee received this report.***

*8.2 Progress against Strategic Targets 2015/2016*

Suzanne Overton-Edwards presented a report on progress against the strategic plan targets due for review by the Committee. These related to student numbers (as previously reported) and engagement with the community.

***The Committee received this report.***

**F/16/09 Item 9 – Date and Time of next Meeting:**

The date and time of the next meeting were confirmed as Thursday 17 March 2016 at 5.30 p.m. at the College.

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

*10.1 Ballot over Strike Action*

Hamid Ravat advised the meeting that the National Union of Teachers was conducting an indicative ballot of its members in sixth form colleges over a national day of strike action in March 2016.