



## FINANCE, STAFFING AND GENERAL PURPOSES COMMITTEE

### Minutes of Meeting on Thursday 15 June 2017

<b>Present:</b>	Mr S Holderness ( <i>Chair</i> ) Ms S Munden Mr M Sim Mr H Solanki	Governor Staff Governor Principal Parent Governor
<b>In Attendance:</b>	Mr H Ravat Mr J Bagley Mr R Mansfield	Vice-Principal Resources Vice-Principal Curriculum & Quality Clerk

<b>Ref.</b>		<b>Action</b>
<b>F/17/31</b>	<b>Item 1 – Apologies for Absence:</b> There were no apologies for absence. The meeting was declared quorate.	
<b>F/17/32</b>	<b>Item 2 – Declaration of Interests in Agenda Items:</b> There were no declarations of interest in agenda items.	
<b>F/17/33</b>	<b>Item 3 – Minutes of Previous Meeting and Matters Arising:</b> The minutes of the meeting on 18 May 2017 were accepted as an accurate record and were duly signed by Steve Holderness. There were no matters arising that were not covered by agenda items.	
<b>F/17/34</b>	<b>Item 4 – Estates Issues:</b> <i>4.1 Estates Matters</i> Hamid Ravat presented an oral report on estates matters. The College had signed all the papers required for the sale of the Blackbird Road land. It was expected that the sale would be completed by the end of the month. The programme of summer works would include conversion of two classrooms into a fully functional laboratory and extension of the mezzanine area to provide a further 24 independent learning spaces. It had been confirmed that the extension was technically feasible and the draft budget therefore contained a provision to cover the estimated cost of £60K. There was also significant provision for the replacement of 'thin client' computing equipment. Martin Sim said that the planned phasing out of Performing	

Arts subjects would release several large rooms that could then be split. He had concerns that the Learning Resource Centre was too small, though expansion of this facility should not be difficult. Any action would naturally need to take into account 2017/2018 student numbers.

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

#### *4.2 Health & Safety Statistics*

Hamid Ravat presented the health & safety statistics to 8 June 2017. The report showed a continuing year-on-year increase in reported incidents. This was attributable to a rise in health-related incidents rather than accidents. The largest category of accidents was sports-related. The accident rate had in fact fallen slightly once account was taken of the increased number of students. There were no concerning trends.

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

### **F/17/35 Item 5 – Finance Issues:**

#### *5.1 Learner Numbers and Funding 2017/2018*

Hamid Ravat presented the learner numbers and funding report for 2017/2018. This was based upon the College's R10 (June ILR) return which had just been run. There was very little change on the previous report considered by the Committee.

***The meeting received the report.***

#### *5.2 Operating Results 2016/2017*

Hamid Ravat presented the operating results to May 2017, highlighting the main variances against the budget. In the first ten months the College had generated a deficit of £259K, £318K worse than budget. Income was £73K above budget, mainly because additional funding for high needs learners had been received from Leicester City Council.

Pay expenditure was £354K above budget, largely attributable to higher teaching staff pay and the costs of supply teachers. Additional expenditure had also resulted from overlapping pay costs for the post of Principal. Steve Holderness asked why the additional costs of teaching staff had not been predicted when the budget was prepared. Hamid Ravat said that this was because the College had over-recruited against the targets on which the budget was based.

Hamid Ravat said that the College remained solvent, with a predicted year-end cash position of £2.5 million after voluntary severance payments. The predicted deficit was of the order of £300K. Steve Holderness expressed renewed concerns that the College would not achieve breakeven in 2017/2018, given the size of its current deficit. Martin Sim said that, even without an adverse OfSTED Inspection report, over-recruitment would

in his opinion have created a deficit of between £250K and £300K because of unplanned growth and the breadth of the curriculum offering.

Steve Holderness said he accepted the reasons for the current deficit but was looking to see a recovery from it. Martin Sim said that the most significant risk faced by the College was the number of the September 2017 enrolments. It would be necessary to make whatever savings were needed in-year.

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

*5.3 Budget 2017/2018*

Hamid Ravat presented the draft budget for 2017/2018. He referred the meeting to Annex 1, which presented a high level three-year analysis. The projected surplus was £25K. Income should increase by just 2% (after the elimination of protection funding), pay costs should reduce by 2% and non-pay costs by 1%. He explained the main underlying assumptions. Martin Sim thought that there might also be scope to optimise depreciation. A positive cashflow of £96K was predicted. The balance sheet did not yet reflect the sale of the Blackbird Road land. The treatment of the disposal and its proceeds raised questions that he wished first to discuss with the auditors. The capital budget contained provisions for the works earlier discussed. The key performance indicators, other than the percentage surplus, were within the target ranges.

In discussion it was recognised that the key areas of risk within the budget remained pay costs for teachers and supply staff.

***The Committee commended a 'challenging' budget to the Board for approval.***

*5.4 Lloyds Bank Loan Agreement*

Hamid Ravat advised the meeting that Lloyds Bank had requested an amendment to the agreement for the 20-year loan. The outstanding balance was now £1.4 million. The agreement included five covenants. The amendments entailed the substitution of references to FRS17 by references to FRS102 (the standard now in force), various other minor changes of wording and the removal of the covenant requiring the College to avoid historic cost deficits in three successive years. The changes did not adversely affect the College's ability to comply with the covenants. Lloyds Bank was seeking a formal Board resolution to approve the amendments.

***The Committee commended to the Board the approval of the resolution as requested.***

**F/17/36 Item 6 – Human Resources Issues:**

*6.1 Staffing Update*

Hamid Ravat presented the staffing update. Staffing numbers were just over one FTE above budget. The Committee noted that there was now a large number of vacancies. Martin Sim said that the College had received a considerable number of applications from internal and external candidates, including ones that appeared very strong. Hamid Ravat reported that sickness absence was still running at about 2% above national benchmarks. One member of staff remained on long term sickness absence. Martin Sim said that it would in future be helpful for reports to show trend figures.

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

*6.2 Staff Restructuring*

Martin Sim said that the future staff structure had now been defined. Most of the changes had been presented to the Standards & Quality Committee. To date about 20 external and 40 internal credible applications had been received for the vacant posts.

***The meeting noted this oral report.***

**HR/GB**

**F/17/37 Item 7 – Marketing Issues:**

*7.1 Marketing Update*

James Bagley presented the marketing update. *The Leicester Mercury* was shortly to feature an article on the retirement of Suzanne Overton-Edwards and the recruitment of Martin Sim. The College had received the draft OfSTED monitoring visit report for factual checking, and Jade Walsh was working on publicity for release upon publication of the report. Epic Communications had been appointed to redesign the College website.

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

*7.2 Student Applications*

James Bagley presented dashboard data showing that student applications for 2017/2018 were running at about 10% above those in recent years. The figures did not as yet include students wishing to return. The data gave grounds for cautious optimism about recruitment in the coming September.

***The meeting noted this oral report.***

**F/17/38 Item 8 – General Issues:**

*8.1 Fees Policy 2017/2018*

Hamid Ravat advised the meeting that there had been no changes in Funding Regulations, and that the fees policy for

the current year should be retained unchanged for 2017/2018.  
***The Committee commended the unchanged fees policy 2017/2018 to the Board for approval.***

**F/17/39 Item 9 – Date and Time of next Meeting:**

The date and time of the next meeting were to be confirmed during the planning of the cycle of meetings for 2017/2018.

**F/17/40 Item 10 – Any Other Business:**

There was no other business apart from the minute of the previous confidential session. Steve Holderness and Martin Sim recorded their thanks to Shirley Munden for her service on the Committee, as she was leaving at the end of the academic year.

*Shirley Munden withdrew from the meeting for consideration of the confidential item, the minute of the confidential session on 18 May 2017. This item is recorded as a confidential minute (F/17/41 (Conf.))*