



FINANCE, STAFFING & GENERAL PURPOSES COMMITTEE

Minutes of Meeting on Tuesday 19 June 2018

Present: Mr S Holderness (*Chair*) Vice-Chair of Governors
 Mr J Bagley Principal
 Mr H Solanki Parent Governor

In Attendance: Mr H Ravat Vice-Principal Resources
 Mr R Mansfield Clerk

Ref.	Action
F/18/21	<p>Item 1 – Apologies for Absence: An apology for absence was received from Patsy Hamer. The meeting was declared quorate.</p>
F/18/22	<p>Item 2 – Declarations of Interest in Agenda Items: There were no declarations of interest in agenda items.</p>
F/18/23	<p>Item 3 – Minutes of Previous Meeting and Matters Arising: <i>3.1 Meeting on 17 April 2018</i> The minutes of the meeting on 17 April 2018 were accepted as an accurate record and were signed by Steve Holderness. The action listed had been taken. Steve Holderness asked whether Midshire Catering's intentions were yet known. Hamid Ravat said it had been arranged that the current contract would be rolled forward into 2018/2019. Harshad Solanki asked what arrangements were made for less well-to-do students not in receipt of grants to have access to affordable meals. Hamid Ravat said that a budget range of food was provided, although the caterer made a very small margin only on this. Steve Holderness confirmed that the prices charged in the canteen were very reasonable; for £2.50 students were able to purchase a nourishing meal.</p>
F/18/24	<p>Item 4 – Estates Issues: <i>4.1 Estates Update</i> Hamid Ravat provided an oral update on estates matters. The programme of summer works would be modest, the major item being replacement of the flat roof over the storage area adjacent to the Sports Hall. The College had received a second and final payment from the sale of the Blackbird Road site. He was now awaiting an invoice for the full amount from the Education & Skills Funding</p>

Agency (ESFA), to whom all these funds were due. In the event of any future 'overage' by the developer, any resultant claw-back payments would also be remitted to the ESFA.

The meeting noted this report.

4.2 Health and Safety Statistics

Hamid Ravat presented the health and safety statistics to 8 June 2018. The increase in the number of reported incidents above that for the preceding year had persisted. The main reason had been students feeling unwell and seeking first aid. The number of reported accidents was similarly higher, the great majority being sports-related.

The meeting received the health and safety statistics.

F/18/25

Item 5 – Finance Issues:

5.1 Operating Results

Hamid Ravat presented the Operating Results to May 2018. The College was on track to achieving the revised operating surplus of £405K for the year. There had been an operating surplus of £317K at the end of the first ten months (£15K better than budget). Income had been £8K below budget. Pay expenditure was £9K above budget, after full implementation of national pay awards. An adverse variance of £44K in Supply Staff costs had been partly offset by £24K savings from vacant support staff posts. Operating expenditure was £18K below budget; savings in Teaching Departments and Examinations had been partly offset by higher expenditure on reprographics and on software development costs and licence fees denominated in non-sterling currencies. Steve Holderness was pleased to see evidence of the impact of action taken to make savings.

Hamid Ravat reported that the Balance Sheet remained little changed and that there were no concerns relating to it. The cash balance of £2.9 million at the end of May was expected to decrease to about £2.8 million at the year-end. The financial key performance indicators were within their targeted ranges. He confirmed that there were no problems in the College's relationship with Lloyds Bank.

Steve Holderness expressed concern about the continuing high cost of supply staff. There was then a discussion about the needs to balance economy with treating supply staff in ways that valued them and motivated them to deliver the high quality required by the College. James Bagley said that supply staff were also being used to cover some unfilled vacancies in order to reduce the prospect of having to declare redundancies. Steve Holderness questioned the extent to which waste might be driving up reprographics costs. He recorded the Committee's congratulations to Teaching Departments and Examinations staff on the savings they had achieved.

The Committee received the operating results.

HR

5.2 Budget 2018/2019

Hamid Ravat introduced the budget for 2018/2019 by explaining its structure. Income for the year was closely predictable: there would be a reduction of 20%. The outturn for the year was budgeted to be a deficit of just over £750K. Pay costs had reduced by nearly \$400K (7%), for which the supporting assumptions were stated. The budget included a provision of £90K for possible further restructuring. Steve Holderness said that he recognized that staff at all levels and in all areas had been affected by recent changes. Hamid Ravat confirmed that savings equivalent to 10 full time posts had been achieved without recourse to compulsory redundancy. There had also been various savings in non-pay costs totaling nearly £140K. The closing cash balance would have reduced to £2.1 million (from £2.8 million in the current year.) Although some key performance indicators would be adversely affected, the College would remain compliant with its bank loan covenants. The capital budget was very modest, in order to conserve cash.

He then set out the key risks to achievement of the budget.

These included the risk of unaffordable pay demands.

Harshad Solanki urged that the College should nonetheless seek to maintain constructive relations with Trade Unions.

Hamid Ravat advised the Committee that the College's financial health rating would decline from Outstanding in the current year to Satisfactory in the next.

Although some key performance indicators would be adversely affected, the College would remain compliant with its bank loan covenants. The capital budget was very modest, in order to conserve cash.

The Committee commended the budget to the Board for formal approval.

5.3 Financial Forecast 2018/2021

Hamid Ravat presented the financial forecast. Although the ESFA required a two-year forecast, the College had felt it more appropriate to provide a three-year forecast covering the period of the College's approved financial strategy. The forecast was predicated upon managed, sustainable growth in student numbers and continuing close control of expenditure. The forecast presented a pattern of two years' declining deficits followed by a return to modest surplus. The forecast included an analysis of risks, as shown in the budget, and noted that a second year of negative cashflow in 2019/2020 would place the College in breach of one of its bank loan covenants.

The forecast contained a sensitivity analysis, as recommended by the Internal Auditors. The conclusion was that the College had sufficient cash reserves to provide a margin of safety even if all the adverse effects modelled were to materialise.

The Committee commended the financial forecast to the Board for formal approval.

F/18/26

Item 6 – Human Resources Issues:

6.1 Staffing Update

Hamid Ravat presented the staffing update. Headcount was now 11.3 FTE below budget, though as earlier reported supply staff were covering some unfilled posts. It was becoming significantly harder to recruit Mathematics teachers. Otherwise there was nothing of great significance to report.

Sickness absence was running at above the sixth form college average and in line with the national average for further education.

The meeting received the staffing update.

6.2 Staff Restructuring

James Bagley confirmed that the College had achieved its planned reduction in staffing without recourse to compulsory redundancy.

The meeting noted this achievement.

F/18/27

Item 7 – Admissions and Marketing Issues:

7.1 Admissions and Marketing Plan 2017/2018

James Bagley presented a report on progress against the marketing and admissions plan. There had been extended efforts to promote the College and liaise with schools. Engagement with *The Leicester Mercury Clearing Guide* in August was under active review. Steve Holderness recommended that the College should establish contact with South Charnwood Academy, as its catchment area included parts of Leicester and the Academy did not provide post-16 education.

James Bagley said that the number of applications was below the comparable figure for the previous year, though he believed the quality of the list was stronger. All efforts were focused upon conversion. These included 'Keep Warm' contacts and making the Welcome Day more vibrant. Case studies for high performing students were being prepared. Steve Holderness noted that this was an area of significant risk. The promotion of a strong Gateway brand was critical. James Bagley agreed, but reminded the meeting that he had limited resources. The Committee recognized the importance of the work done by Jade Walsh and her considerable efforts in this regard.

The meeting received the update.

JB

JB

F/18/28

Item 8 – Governance Issues:

8.1 IT Security Policy

Hamid Ravat presented the latest version of the IT security policy. He reminded the meeting that dealing with the risks posed by social media etc. was outside the scope of this policy. The policy was largely unchanged.

The Committee commended the IT security policy to the

Board for endorsement.

8.2 Fees Policy 2018/2019

Hamid Ravat presented the fees policy for the next academic year. The policy was largely unchanged.

The Committee commended the fees policy for 2018/2019 to the Board for approval.

8.3 Emergency and Disaster Recovery Plan

Hamid Ravat presented the latest version of the emergency and disaster recovery plan. The plan had been negligibly changed.

The Committee commended the emergency and disaster recovery plan to the Board for endorsement.

8.4 Staff Sickness and Absence Management Policy

Hamid Ravat presented the latest version of the staff sickness and absence management policy. The policy was largely unchanged.

The Committee commended the staff sickness and absence management policy to the Board for endorsement.

8.5 Financial Regulations and Procedures

Hamid Ravat presented the latest version of the financial regulations and procedures. These remained largely unchanged.

The Committee commended the financial regulations and procedures to the Board for endorsement.

F/18/29

Item 9 – Date and Time of Next Meeting:

It was confirmed that the next meeting of the Committee would be on Thursday 18 October 2018 at 5.30 p.m. at the College, subject to confirmation of the cycle of governors' meetings for 2018/2019.

F/18/30

Item 10 – Any Other Business:

There was no other business.