

FINANCE AND RESOURCES COMMITTEE  
15 SEPTEMBER 2015

## MINUTES

<b>PRESENT:</b>	Piers White (Committee Chair) Gordon Smith (Chair of Governors) Jackie Wilding
<b>CLERK:</b>	Melissa Drayson
<b>IN ATTENDANCE</b>	Keith Oxspring - Chief Operating Officer Andy Smith - Deputy Chief Executive Jo Bland - Director of Human Resources (DHR)
<b>APOLOGIES</b>	Trevor Morgan Frances Wadsworth
<b>VACANCIES</b>	One
<b>QUORUM</b>	The meeting was quorate throughout
<b>TIMING</b>	6.10 – 7.32pm

<b>Item no.</b>		<b>Action Lead</b>
<b>15.48</b>	<b>Apologies for absence</b>  Apologies received as above	
<b>15.49</b>	<b>Declaration of interests</b>  There were no declarations of interest relating to items on the agenda.	
<b>15.50</b>	<b>Minutes of the meeting on 1 July 2015</b>  The minutes of 1 July 2015 were <b>approved</b> as an accurate record and were signed by the Chair	
<b>15.51</b>	<b>Matters Arising not covered elsewhere on the agenda</b>  <u>15.38 (15.31) Information security policy</u>  The Clerk confirmed that the password protection process for governance documents had been set up and would be implemented imminently.  <u>15.38 (15.32) Risk Monitoring – adverse publicity</u>  Guidance to governors, in the form of the relevant extract from the Standing Orders, had been sent out by email to governors to remind them of the policy on communications with the media.	<b>Clerk</b>

## 15.52 FINANCIAL MONITORING AND STUDENT NUMBERS REPORT

### i July 2015 Management Accounts

*Supporting papers by the COO*

The following headlines were noted and discussed:

- The year-end surplus was now showing £514k, which was, as anticipated, better than the £392k previously included in the June 2015 management accounts. The figures are still subject to change with Adult Skills Budget achievement and ALS data still being verified. In addition, partnership costs had still to be reconciled. The audit process might also identify other variations.
- It was noted that a provision had been made for a potential liability of £90k in respect of historic Teachers' Pensions contributions. The College was in correspondence with Teachers' Pensions and whilst it was considered that the likelihood of payments being demanded was relatively low, it was felt that it was appropriate to provide for the worst case scenario.
- The impact of the 8 July Budget on 2015-16 income was noted, in particular cuts to ESOL and Adult Learning funding. Some of this had been offset, but a net shortfall remained of £50k. The full adult learner recruitment picture, and any further financial consequences, would be presented in the first set of management accounts for 2015-16.
- A simplified, consolidated debtor analysis was presented. This was welcomed by the Committee. Following a discussion about bad-debt write-off it was requested that known bad debts should be written off early in the new financial year to provide a clearer picture on debtors.
- The current assessment of financial health, based on the picture shown by the management accounts, was 'outstanding'. Although this was subject to verification by the production of the audited financial statements this was still thought to be extremely encouraging in the current climate. The likelihood that further funding cuts would result from the Comprehensive Spending Review made it unlikely that an 'outstanding' grade could be sustained.
- Members were given assurance that the differences between budgeted and actual depreciation and capital grants seen in the 2014/15 management accounts had been resolved in 2015/16.
- The 12 month rolling cash-flow table would be annotated to indicate that it referred to 2015/16

**AGREED: That known bad-debt should be written off in the new year.**

**COO**

### ii. 2015-16 enrolment report

*Oral report by the DCE*

16-18 Learners

1610 16-18 learners had been enrolled so far against a target for starts of 1650, with a higher number of returning students than anticipated. The funded learner target, which would be based on numbers at the 42 day census point, was 1495 which assumed a 10% drop-out rate. There was reasonable hope that the target would be achieved.

Level 3 recruitment was high across all subjects, but entry level recruitment was low as had been anticipated.

Governors asked whether enrolments corresponded with planned provision. This had not been the case in all areas and reviews would be undertaken where there was under-recruitment. The balance between 16-18 and 19+ learners was not always as predicted, resulting in the need for planning to ensure that the curriculum was delivered as economically as possible.

A similar level of students receiving 24+ loans had enrolled as in 2014. HE recruitment was also looking healthy although the number of starts had yet to be confirmed.

Governors expressed interest in seeing a breakdown of numbers by curriculum area at a later date.

**15.53 ESTATES AND CAPITAL DEVELOPMENT**

There was a discussion of options set out in a confidential paper which had been circulated to all governors earlier that day. A board decision would be required on 30 September about ways forward.

**15.54 HUMAN RESOURCES UPDATE**

*Oral update by the Director of Human Resources*

Measures taken to mitigate against likely future funding reductions were reported. These included an evaluation of all recruitment requests, vacancy management and analysis of staff utilisation.

An update was provided on the pay claim by UCU and the risk of associated industrial action. Governors sought clarification on the numbers of staff this might involve, which were significantly under 100.

**15.55 POLICIES AND PROCEDURES**

**i. Staff Disciplinary Policy**

*Supporting paper by the Director of Human Resources*

The Board noted that the College's Disciplinary Procedure was in accordance with the revised ACAS Code of Practice and that no changes were proposed, but that the Procedure would next be reviewed in two years' time

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**RESOLVED: that the review of the Disciplinary Procedure, with no proposed changes, be reported to the Board for approval.**

**ii. 24+ Student Loans Fees Policy and Debt Collection Policy**

*Supporting paper by the COO*

The two policies had been amended slightly to reflect a proposal that would provide discretion for the Chief Operating Officer to waive invoices for students who had departed early from courses. This would help to reduce the costs of unsuccessful debt collection from these students, and would ensure that inflated figures for income shortfall and bad debt were removed from the management accounts.

It was noted that full reviews of both policies would be undertaken in accordance with the policy review schedule.

**RESOLVED: that the minor amendments to the Debt Collection Policy and the 24+ Student Fees Policy be APPROVED.**

**15.56 RISK MONITORING**

*Supporting paper by the Director of HR*

The report gave the Committee an update on all risks assigned for its oversight, as well as the update on compliance with employment law legislation and developments which the Committee requested in July.

There had been no movement on the risk map. Key headlines from the employment law compliance report were that:

- Nationally, mandatory conciliation and increased employment tribunal fees had reduced the number tribunal claims significantly;
- There was a high possibility that the Government's proposed changes in Trade Union legislation would result in industrial action.
- The government was proposing a cap of £95k on all costs of termination for high-earners leaving public sector positions including any cost for early release of pension benefits, . The risk for the College was that it might affect the take-up of voluntary terminations.

The Committee asked how compliance with equalities legislation was ensured and received responses as to good practice and legal advice being taken as appropriate. This could be added to the Equalities Report.

**AGREED:**

- (i) that the HR Equalities Report, due to come to the 3 November 2015 meeting, should include a section giving assurance on compliance with equalities legislation and best practice.**

DCE/DHR

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	(ii) That income risk should be evaluated at the 3 November 15 meeting as part of the Student Numbers Report	COO

**15.57 REVIEW OF TERMS OF REFERENCE**

The Committee agreed to amend the minimum committee size to four, but to retain the quorum as three. Subject to this amendment, it was:

**RESOLVED: that it should be recommended to the Board of Governors that the revised Finance and Resources Committee Terms of Reference should be approved.** Clerk

The need to update the scheme of delegation by the Board to Committees and the Executive Team was recognised.

**AGREED: that the Clerk and the Executive Team should undertake a joint review of the Scheme of Delegation and bring proposals to the full Board of Governors.** Clerk/ Exec

**15.58 ANY OTHER BUSINESS**

The Clerk reported that new governors, Kevin Zuchowski-Morrison, had expressed an interest in serving on the F&R Committee. The Committee was pleased to support this recommendation.

**15.59 DATES OF FUTURE MEETINGS**

The Committee was scheduled to meet next on 3 November 2015 and then, after that, on 19 January, 9 March, 26 April and 28 June.

**15.60 OTHER BUSINESS**

There were no items of urgent other business.

Signed \_\_\_\_\_ (Chair)

Date: \_\_\_\_\_