

## NON-CONFIDENTIAL MINUTES OF THE FINANCE & RESOURCES COMMITTEE Thursday 23<sup>rd</sup> November 2017

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<b>Present:</b>	Trish Kidd	Chair F&R Committee
	Julie Barton	External Governor
	Chris Dodwell	External Governor
	Don Logan	Chair Audit Committee ) present due to joint
	Roz Stewart	Staff Governor ) meeting with Audit Committee
	David Schofield	External Governor )
<b>In attendance:</b>	Andrew Wren	Principal (in attendance for Audit items)
	John Smith	DP F&R
	June Fielding	Financial Controller
	Zee Walker	Director of PPQ
	Helen Knowles	KPMG
	Patrick Clark	ICCA
	Karen Johnson	Acting Clerk
	Colin Steele	Head of Craft Engineering (observer)
	Hannah Oliver	Financial Assistant (observer)

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### PROCEDURAL

**FR/17/037** The Chair drew Governors' attention to the two paragraphs at the top of the agenda, formerly agenda items, reminding Governors of their responsibilities and to declare any interests relevant to agenda items, and that this also included responsibilities around Equality, Diversity and Inclusion

### APPOINTMENT OF CHAIR

**FR/17/038** Trish Kidd was formally nominated and agreed as Chair (Finance & Resources Committee) for a period of 12 months.

**FR/17/039 Resolved: Trish Kidd to stand as Chair of the Committee for a period of 12 months**

### APOLOGIES FOR ABSENCE

**AR/17/040** Apologies for absence were received from John Sidney.

### MINUTES OF PREVIOUS MEETING

**FR/17/041** The minutes of the meeting held on 29 June 2017 were agreed as a true and accurate record and duly signed by the Chair

### MATTERS ARISING

There were no matters arising.

### FINANCIAL STATEMENTS FOR 2016-2017

**FR/17/042** The DP F&R presented the financial statements for the previous financial year and highlighted the following key points.

- The format of the report is that recommended by the SFA and AOC and is consistent with Financial Reporting Standard FRS102 and the HE and FE Statement of Recommended Practice (SORP)
- There are no significant transactions which require specific attention in the annual financial statements for 2016/17, other than those relating to pension provisions, which are previously reported to the Board in October 2017. The external auditor's work on the statements and associated report found no material errors, either informative or which required adjustment
- The auditors still require confirmation from the funding agencies of actual income for the year to July 31<sup>st</sup>. It is expected that this will be confirmed at the level assumed in the financial statements.

- The audit opinion will be unqualified
- The Operating Surplus for the year amounted to just over £0.115m (2015-16 £0.170m).
- College financial health, as assessed by the Skills Funding Agency, is “outstanding”. The timing of the £0.750m loan repayment has influenced the assessment
- The statements bring in the assets and liabilities of the former 6<sup>th</sup> Form College
- Once approved formally by Board the statements will be signed and sent to the funding body
- Balance sheet and cash position are both strong.

**FR/17/042 Resolved: The Committee recommended the financial statements for approval by Board**

#### **MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31.10.17**

**FR/17/043** The DP F&R referred the Committee to the management accounts for the period to the end of 31.10.17, and made the following key points:

- The number of learners across a range of funding streams is lower than target which will have an impact on finances
- At the end of the period there is a surplus of £150k which is significantly higher than at this point last year
- The DP C&Q provided an overview of each aspect of the learner funding stream income and reminded the Committee that some areas may be lower than target at end of year due to there being lower learner numbers in these associated areas
- Pay costs – lower than target which is typically due to the lower student numbers in the associated areas. The Committee queried agency spend, the Head of HR clarified that the spend was within one curriculum area which was difficult to recruit permanent staff, with a further member being in a specialist curriculum area
- Non pay costs – underspend at the present time
- Commercial activity – nothing to suggest at the present time we will be far from forecast
- Debtors are high which is typical at this time of year due to the timing of raising invoices for the relevant learners
- All other items are in line with expectations
- For next year it is expected that the 16-18 income will be significantly lower due to the lag funding of learner numbers

**FR/17/044** The Principal added that for the next academic year the College will need to review the number of 16-18 learners in the demographics of the area with a view to having a realistic view of learner numbers which links in with the curriculum planning process.

That is not to say that the College cannot obtain income from other funding streams but it is clear from this year’s enrolment numbers that the number of learners who join the college is declining for a variety of reasons.

**FR/17/045 Resolved: The Committee noted the management accounts.**

The Staff Pay Review and the Gender Pay Review discussions were identified as confidential items and as such are not available in the public minutes.

#### **ANNUAL HR REPORT**

**FR/17/053** The Head of HR presented a report which provided a summary of HR activity for the previous academic year.

- An overview of key staffing changes by staff group
- Turnover of staff was lower than the previous year, this was further expanded:

- Worthy of note was the turnover of the two staff groups affected most by the merger - support staff turnover decreased to 14% which is below the AoC average and 3% lower than the previous year.
- Management staff turnover - increase to 15.6% which is above the AoC average, and against 3.9% the previous year. Lot of movement within the management team and this can be attributed in the main to the restructure
- 160 staffing changes had taken place over the previous year with 61% related to the restructure – this had had a significant impact on the workload of HR and those line managers involved in this process
- Managing for future staffing needs – restructure is complete with the exception of two areas; curriculum technicians and assessors. The Head of HR outlined on the current status of the restructure of these areas and it is expected that with the exception of two posts this will be completed by the end of term.
- HR are supporting the transition of the radio station to an independent organisation.
- Staff utilisation exercise has taken place
- A review of the apprenticeship model in response to the new apprenticeship levy for our own apprentices
- Absence – restructure has had a negative impact on absence in some areas, this is more around the management of absence rather than the absence in itself, for example some staff have had several managers over the last academic year due to the merger and associated restructure
- 6.54% absence for the last academic year – around a 2% increase on the previous year.
- 2.61% of lost time due to sickness.
- 14% of workforce are currently referred to a specialist service as a result of absence
- A new union recognition agreement has been approved by the various unions represented in the College.

**FR/17/054** The Committee questioned the age profile of staff and queried if this was an issue for now or the future.

The Head of HR advised that the Aspiring Managers Programme has been implemented for senior managers and aspiring talented staff in order to provide development for those members of staff and ensure that there is succession planning within the current College structure, in addition apprentices had also been recruited in a variety of College areas which also feeds into the succession planning process.

**FR/17/055 Resolved: The Committee noted the report**

**ITEMS FOR THE NEXT AGENDA**

**FR/17/056** Update on Gender Pay Gap prior to publication of data.

**CONFIDENTIALITY**

**FR/17/057** The Committee agreed that items relating to pay award and pay gap should be classified as confidential.

**DATE OF NEXT MEETING**

**FR/17/058** The date of the next meeting was agreed as 5pm, 22 March 2018 (F&R).

**The Committee agrees that these minutes are an accurate record of the meeting.**

**SIGNED:** .....

**NAME:** *(Chair)*

**DATE:** .....