

**PRESENT**

Mrs Jayne Dickinson

Mr Ray Elgy

Mrs Vanessa Guest

Dr Barbara Spittle

Principal and Chief Executive

Independent Member

Independent Member

Independent Member

**APOLOGIES FOR ABSENCE**

Mr Andrew Baird

Independent Member

**IN ATTENDANCE**

Mr Kevin Standish

Mrs Ann-Christine Harland

Ms Mitzi Gibson

Deputy Principal: Curriculum and Standards

Vice Principal: Finance and Resources

Director of HR and Professional Development

**CLERK**

Mr Melvyn Cass

Clerk to the Corporation

In the absence of Andrew Baird, Chair of the Finance and Resources Committee, Ray Elgy was appointed Chair of the meeting.

**FRC.18.13 DECLARATION OF INTERESTS**

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

**FRC.19.13 APOLOGIES FOR ABSENCE**

Apolo­gies for absence were received from one member of the Committee:

Mr Andrew Baird - business commitments

**FRC.20.13 NOTIFICATION OF ANY OTHER BUSINESS**

Members agreed that there was no other business to be considered.

**FRC.21.13 UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 7 MARCH 2013**

The minutes of the meeting were approved and signed as a correct record.

**FRC.22.13 MATTERS ARISING AND ACTION POINTS FROM THE MINUTES OF THE MEETING**

Members agreed that there were no matters arising from the minutes of the meeting.

Members noted that all Action Points arising from the meeting had been addressed to the satisfaction of the Committee.

## **Members agreed to bring forward Agenda Item 16**

### **FRC.23.13 HUMAN RESOURCES REPORT: SUMMER TERM 2013**

The Director of HR and Professional Development presented, for information, the Human Resources Report for the period to 30 April 2013.

Members considered the detail of, and discussed issues arising from the report, in particular

- Staff Utilisation/Efficiencies
  - regular monitoring of staff utilisation remains a priority to ensure that staff are fully utilised across the academic year
  - reviews of curriculum and support roles are taking place to ensure maximum efficiencies and cross-college working
- Staff Turnover
  - College turnover is now slightly below the AoC benchmark
  - additional recruitment focus has been provided to Technology Department and Business and Professional Studies Department
- Absence Management
  - the current College sickness absence figure, excluding long term sickness, is now slightly below the AoC benchmark
  - sickness absence and associated costs continue to be monitored closely
- Equality and Diversity
  - the comparisons of staff/student/community profiles show little change from previous reports
  - equality and diversity training continues to play a significant part of the training and development provision offered to staff
- Performance Management
  - the annual Personal Performance Development Reviews are taking place throughout the Summer Term
- Shared Services in Sussex and Surrey Colleges (SISSC)
  - the implementation of the HR and Payroll system is scheduled to commence parallel running from 1 August 2013
- Legislation Update
  - latest developments in employment legislation

Members reviewed the CPD Dashboard to 30 April 2013.

Members noted the key impact measures arising from the report, in particular the Strategic, Risk and Learner implications.

### **AGREED**

The Finance and Resources Committee receives and notes the Human Resources Report: Summer Term 2013.

### **FRC.24.13 COLLEGE POLICIES**

The Vice Principal: Finance and Resources presented, for consideration and approval, one new College policy.

#### **SUBCONTRACTOR FEES POLICY: 2013/2014**

Members were advised that the Skills Funding Agency Funding Rules 2013 – 2014 require the College to publish a supply chain fees and charges policy on the College website before entering into any subcontracting arrangements for 2013-2014.

Members noted that the Policy objectives outline the main reasons for entering into subcontracting relationships and the range of fees charged dependent upon the risk rating of the potential subcontractor.

Members noted the key impact measure arising from the report, in particular the Risk implications.

**RESOLVED**

The Finance and Resources Committee approves the Subcontractor Fees Policy 2013/2014 and commends the Policy for approval by the Corporation Board.

**FRC.25.13 RISK MANAGEMENT: SUMMER TERM 2013**

The Vice Principal: Finance and Resources presented, for consideration and approval, a report which provided an update on the assessments and actions for the nine risks assigned to the Committee.

Members were advised of any key changes – and the contributory reasons for the changes - to the identified risks assigned to the Committee:

- **Risk S11 'Failure to maintain good financial health':** 'Significant' risk – no change but noting the continuing challenge of achieving the 19+ grant
- **Risk S8 'Poor alignment of strategic planning and financial planning':** 'Significant' risk – no change
- **Risk F3 'Exposure through relationships/partnerships with other providers/institutions':** 'Significant' risk – no change
- **Risk S6 'Inability to attract/retain and develop staff with the required mix of skills':** 'Fundamental' risk – no change
- **Risk O2 'Severe IT failure':** 'Significant' risk – no change
- **Risk O3 'Failure to maintain timely and accurate learner data':** 'Significant' risk – no change
- **Risk S12 'Failure to deliver property strategy':** 'Significant' risk – no change
- **Risk C1 'Serious breaches of Health and Safety legislation':** 'Minor' risk - no change
- **Risk C2 'Serious breaches of legislation':** 'Minor' risk – no change

Members were advised that each of the contributory factors, early warning mechanisms, mitigating factors and actions against monitoring them have been updated for each risk.

Members noted the key impact measures arising from the report, in particular the Strategic implications.

**RESOLVED**

The Finance and Resources Committee approves the Risk Register: Summer Term 2013 relative to its risk assignments and commends the report for approval by the Corporation Board.

**FRC.26.13 EAST SURREY COLLEGE BUDGET: 2013/2014**

The Vice Principal: Finance and Resources presented, for consideration and approval, the annual budget for the College.

The Committee was advised that the budget has been set

- following confirmation of the income grants by the Skills Funding Agency (SFA) and the Education Funding Agency (EFA)
- relative to the 2013/2014 curriculum plan
- following detailed review of the costed established staff
- following consideration of other potential grant incomes and costs

Members noted that the plan includes provision

- for up to 25 unfunded 16-18 year old learners

- for the continuation of MIT Skills Ltd as a subcontractor to deliver less than 5% of the Adult Skills Grant to 50 19+ Apprentices carrying over from 2012/2013
- for a subcontract for the delivery of the Adult Community Learning Grant with the Workers' Education Association (WEA)
- of £334k contingency against under delivery of adult and fee income

Members were advised that the budget includes

- a commitment of £150k for the conversion of rooms for the Level 2 plumbing facilities at Gatton Point South
- a commitment of up to £300k for the replacement of equipment, being primarily smartboards, IT hardware and software

Members reviewed:

- the Executive Summary
- Budget Summary
- Explanation of Income Streams
- Summary Pay Costs Budget
- Balance Sheet
- Monthly Cashflow Forecast – 2013/2014
- Profit Bridge to 2013/2014 Budget.

In response to questions from members, the Committee was informed that

- the budget is expected to generate Good financial health under the current SFA scoring mechanism
- the challenging income levels and the need to achieve the value for money requirement may change the nature and the cost of delivery in some curriculum areas
- the basis for such changes might be consequent on poor retention figures leading to reduction in SFA and EFA funding

The Committee noted the key impact measures arising from the proposals, in particular the Strategic, Financial and Learner implications.

### **RESOLVED**

The Finance and Resources Committee approves and commends to the Corporation Board the East Surrey College Budget: 2013/2014.

#### **FRC.27.13 FINANCIAL FORECASTS: 2013 - 2015**

The Vice Principal: Finance and Resources presented, for consideration and approval, the annual financial forecast to be submitted to the SFA, comprising the expected outturn 2012/2013, the budget for 2013/2014 and the forecast for 2014/2015.

Members were advised that the key pages of the financial forecast were to be submitted for consideration and approval by the Corporation Board and for submission to the SFA.

Members considered the detail of the document in conjunction with the Commentary to the Three Year Forecast, with particular reference to:

- Table 1: Income and Expenditure Account
- Schedule 1b: SFA and EFA Income
- Schedule 1d: Analysis of staff costs
- Schedule 1e: Analysis of non-pay expenditure
- Schedule 2a: Tangible fixed assets
- Table 2: Balance Sheet
- Table 3: Cash flow statement.

In response to questions from members, the Committee was advised

- The forecast's reduced 19+ grant funding reflects the anticipated challenges to the recruitment of eligible 19+ learners in light of changes to SFA funding, resulting in fewer funded qualifications, loans for 24+ learners and possible future changes to employer responsive contributions
- the College aims to maintain Good financial health during the period of anticipated increased on-site learner growth, hence the demand for the Gatton Point South campus, but noting the continuing pressures on pay and non-pay costs to achieve this objective

Members noted the key impact measures arising from the report, in particular the Policy, Strategic and Learner implications.

### **RESOLVED**

The Finance and Resources Committee approves the Financial Forecasts 2013 – 2015 and commends the document for the approval of the Corporation Board.

#### **FRC.28.13 HIGHER EDUCATION TUITION FEES: 2014/2015**

The Vice Principal: Finance and Resources presented, for consideration and approval, a report on fees for all proposed HE provision for 2014/2015.

The Committee was informed of the background to the report, in particular

- the anticipation that the College will continue its sub-contracting relationship with Guildford College for 2014/2015
- recruitment in 2012/2013 has been challenging and existing provision will be critically reviewed during the Summer Term 2013
- applications for 2013/2014 are currently low but the College remains optimistic that the concept of HE in FE will continue
- new provision is anticipated in 2014/2015
- it is anticipated that restrictions on the number of full time enrolments will continue but that there will be no restrictions on part time recruitment
- all full time and part time learners will be able to access the Student Loan Company to assist in payment of fees
- employers are continuing to subsidise some learners
- the College will again offer its own bursary scheme and has agreed to be a member of the HEFCE National Scholarship Programme

Members considered the proposals to approve

- the charge of £6000 per annum for Foundation Degrees and BSc Hons top up degree as per the previous year, noting that this is pro-rated over 3 years for the FDA Early Years
- the charge of £6000 per annum for a new HND Engineering course based on the full cost costing calculated by the Head of Division
- an increase of 2.7% for all other courses in line with current inflation
- delegation to the Principal and the Chair of the Corporation of the application of appropriate discount to the Higher National qualifications where the level of fee is a barrier to recruitment for cohorts of progressing ESC learners

Members noted the key impact measures arising from the report, in particular the Strategic, Risk and Learner implications.

### **RESOLVED**

The Finance and Resources Committee approves and commends for the approval of the Corporation Board

- the charge of £6000 per annum for Foundation Degrees and BSc Hons top up degree as per the previous year, noting that this is pro-rated over 3 years for the FDA Early Years

- the charge of £6000 per annum for a new HND Engineering course based on the full cost costing calculated by the Head of Division
- an increase of 2.7% for all other courses in line with current inflation
- delegation to the Principal and the Chair of the Corporation of the application of appropriate discount to the Higher National qualifications where the level of fee is a barrier to recruitment for cohorts of progressing ESC learners

**FRC.29.13 APPROVAL OF CONTRACTS OVER £50K**

At the meeting of the Finance and Resources Committee held on 26 September 2013, it was agreed that this minute should be restricted in accordance with Section 22 of the Freedom of Information Act 2000.

**FRC.30.13 EAST SURREY COLLEGE FINANCIAL REGULATIONS**

The Vice Principal: Finance and Resources gave an oral report on the need to approve amendments to the Financial Regulations.

The Committee was advised that, as a consequence of the College's involvement in Shared Services in Sussex and Surrey Colleges (SISSC), it would be necessary to bring the College's Regulations into line with those of SISSC, specifically the Authorising Limits for Committed Expenditure

- to be increased from £1,000 to £2,000 for Designated Budget Holders
- to be increased from £5,000 to £10,000 for Directors and Specific Budget Holders

**RESOLVED**

The Finance and Resources Committee approves amendments to the East Surrey College Financial Regulations, specifically the Authorising Limits for Committed Expenditure, on the following basis

- to be increased from £1,000 to £2,000 for Designated Budget Holders
- to be increased from £5,000 to £10,000 for Directors and Specific Budget Holders

**FRC.31.13 TEMPORARY BANK OVERDRAFT FACILITY**

The Vice Principal: Finance and Resources presented, for consideration and approval, a report outlining the requirement for approval for any new bank borrowing facility, in accordance with the Financial Regulations.

The Committee was advised that the overdraft facility would be sought from Natwest in light of the likely short notice of the need for the short term overdraft facility should payment to Wates Ltd, the College's main build contractor, for the final retention payment be necessary over the period from 11 July 2013 to 15 August 2013.

Members noted the impact measures arising from the report, in particular the Risk implications.

**RESOLVED**

The Finance and Resources Committee approves, and commends to the Corporation Board for approval, the short term bank overdraft facility from the College's bankers, Natwest, for a facility of £300,000 from 11 July 2013 to 31 August 2013 at a cost of £750 and interest of 5.6% above base rate.

**FRC.32.13 TERMS OF REFERENCE AND STANDING ORDERS OF THE FINANCE AND RESOURCES COMMITTEE: 2013/2014**

The Clerk to the Corporation presented a report which outlined the need to consider, on an annual basis, the Committee's Terms of Reference and Standing Orders.

Members reviewed the document noting that there were no amendments to the current document.

Members noted the key impact measures arising from the report.

**RESOLVED**

The Finance and Resources Committee approves the Terms of Reference and Standing Orders of the Finance and Resources Committee: 2013/2014 and commends the document to the Corporation Board for approval.

**FRC.33.13 ANNUAL SCHEDULE OF BUSINESS OF THE FINANCE AND RESOURCES COMMITTEE: 2013/2014**

The Clerk to the Corporation presented a report which outlined the need to consider, on an annual basis, the Committee's Annual Schedule of Business.

Members noted that there were no changes to the schedule of business to be considered during the course of the year.

Members noted the key impact measures arising from the report.

**RESOLVED**

The Finance and Resources Committee approves the Annual Schedule of Business of the Finance and Resources Committee: 2013/2014.

**FRC.34.13 ENROLMENT: 2012/2013 AND APPLICATIONS: 2013/2014**

The Vice Principal: Finance and Resources presented, for information, a report on the enrolment position at 28 May 2013 and the initial application position for 2013/2014.

Members considered the report which provided detailed information in respect of

**16 – 18**

**2012/2013**

- recruitment to-date of 1606 16-18 year old learners, plus 9 High Needs learners (1535 at same time in 2012)
- 1335 (1293) are currently Active Full time
- compared to a funding target of 1536 (1484) plus 6 High Needs learners, an increase of 4.7% has been achieved to-date
- recruitment above 1536 is unfunded for the current year
- growth of 74 has been achieved to-date

**2013/2014**

- funding for growth of 126 16-18 year old learners plus 10 additional High Needs learners has been confirmed as consolidated for 2013/2014 (total allocation of 1678 including 16 High Needs learners)
- 2041 (1703) applications received for full time programmes

**19+**

**2012/2013**

- 19+ classroom based Active Full time enrolments to-date of 246 (217)
- withdrawn and part time enrolments currently stand at 1268 (1044) part time learners

**2013/2014**

- 384 applications for 19+ full time courses an increase of 30% by comparison with the same time in 2012

## **Other**

### **2012/2013**

- recruitment of 16-18 Apprenticeships is progressing to profile
- 18 out of 22 planned 19+ Apprenticeships starts are recorded
- HE Year 1 enrolments have proved challenging
- ACL recruitment to-date is 2093 (2033); the new Saturday course offer has attracted 795 (989) enrolments
- 14-16 recruitment is strong – 489 learners
- recruitment to Formal First Steps is currently 308

Members noted the basis on which

- the College tracks all enrolment and student data rigorously and reports regularly to members on the current position and the implications
- the student numbers at 3 June 2013 data return will be used by SFA to assess estimated outturn of the adult grant

Members noted the key impact measures arising from the report, in particular the Strategic, Risk and Learner implications.

### **AGREED**

The Finance and Resources Committee receives and notes the report.

## **FRC.35.13 MANAGEMENT ACCOUNTS FOR THE PERIODS TO 30 APRIL 2013 AND TO 31 MAY 2013**

The Vice Principal: Finance and Resources presented, for information, the Management Accounts for the year to 30 April 2013 and to 31 May 2013.

Members considered the detail of the accounts, noting:

- the Board approved a revised operating surplus budget for the year of £541k
- the profiled surplus recorded of £89k is £141k worse than expected
- increased pay costs are 0.8% above budget
- against AoC benchmarks, the College is still in a financially strong position

The Committee noted the impact measures arising from the report, in particular the Strategic and Risk implications.

### **AGREED**

The Finance and Resources Committee receives and notes the Management Accounts for the Period to 30 April 2013 and 31 May 2013.

## **FRC.36.13 SHARED SERVICES IN SUSSEX AND SURREY COLLEGES (SISSC)**

The Vice Principal: Finance and Resources gave an oral update on the involvement of the College with the Shared Services in Sussex and Surrey Colleges.

Members were advised that

- the College continues to take a lead role in relevant areas of development and has seconded staff to the project
- the Accounting system, in which the College is involved with two other colleges, went live on 3 June 2013
- the MIS/Sales Ledger interface is currently under review
- the Payroll/HR system, in which the College is involved with four other colleges, is scheduled for parallel running on 1 August 2013 data

### **AGREED**

The Finance and Resources Committee notes the report.



**FRC.37.13 HEALTH AND SAFETY REPORT: SUMMER TERM 2013**

The Vice Principal: Finance and Resources presented, for information, the Health and Safety Report: Summer Term 2013.

Members noted salient issues identified in the report

- Accident Statistics
- Regular monitoring and spot checks of the workshops
- Full fire risk assessment undertaken by the independent consultant
- Summer Term Generic Risk Assessments booklets completed
- Fire evacuation drills for both campuses were completed in April 2013
- On-line health and safety staff development continues for the benefit of all staff
- Re-assessment of the medical needs training for staff is on-going
- the College has commenced a trial, working with a selection of local employers, to ensure that the College can rely on their robust Health and Safety risk assessments for their employees undertaking work based learning; two assessments have been received as part of the on-going process
- College security procedures continue on both campuses

Members reviewed the KPIs appended to the report.

The Committee noted the key impact measures arising from the report, in particular the Strategic, Risk and Learner implications.

**AGREED**

The Finance and Resources Committee receives and notes the report.

**FRC.38.13 KPI DASHBOARD**

The Committee received the KPI Dashboard: April 2013 and reviewed the document with particular regard to

- 9 – Working Time Lost (Percentage Sickness)
- 12 – Long Retention (Aims Ending in 2012/2013)
- 13 – Lesson Observations (Excluding Probational and Peer Observations)
- 14.1 – Attendance: Full time SFA/EFA Funded Learners
- 14.2 – Attendance: Part time SFA/EFA Funded Learners
- 15 – Class Size (SFA/EFA Funded Full-time Courses excluding Full-Time Infill)

Members were advised that certain of the indicators are under review to ensure continuing relevance.

**AGREED**

The Finance and Resources Committee receives and notes the KPI Dashboard: April 2013.

**FRC.39.13 ANY OTHER BUSINESS**

There was no other business.

**FRC.40.13 SCHEDULE OF MEETINGS: 2013/2014**

Thursday 3 October 2013  
Thursday 28 November 2013  
Thursday 13 March 2014  
Thursday 12 June 2014

All meetings commence at 18.00

**As there was no further business, the Chair declared the meeting closed.**

**SIGNED AS A CORRECT RECORD:**

**DATE: 26 September 2013**

Handwritten signatures in black ink, including a stylized signature on the left and the name 'Edgy' on the right.