

Meeting commenced: 18.00

Meeting ended: 19.40

PRESENT

Mr Andrew Baird
Mrs Jayne Dickinson
Mrs Vanessa Guest
Dr Barbara Spittle
Mrs Liz Rushton

Independent Member
Principal and Chief Executive
Independent Member
Independent Member
Independent Member

Chair

IN ATTENDANCE

Mrs Ann-Christine Harland

Vice Principal: Finance and Resources

APOLOGIES FOR ABSENCE

Mr Ray Elgy
Mr Kevin Standish
Ms Mitzi Gibson

Independent Member
Deputy Principal: Curriculum and Standards
Director of HR and Professional Development

CLERK

Mrs Sue Glover

Clerk to the Corporation

FRC.01.15 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.02.15 APOLOGIES FOR ABSENCE

Apologies were received from

Mr Ray Elgy - personal commitments
Mr Kevin Standish - personal commitments
Ms Mitzi Gibson - ill health

The Committee agreed to accept the apologies for absence.

FRC.03.15 NOTIFICATION OF ANY OTHER BUSINESS

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

FRC.04.15 UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 27 NOVEMBER 2014

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

FRC.05.15 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.

FRC.06.15 COLLEGE POLICIES

The Vice Principal: Finance and Resources presented, for consideration and approval, three College policies:

ESC 45 College Fees and Course Costing Policy

ESC 30 Capability Policy

ESC 32 Disciplinary Policy

The Committee was advised that

- a regular cycle of reviews ensures that College policies take account of any changes in legislation
- the policies have been reviewed and approved by the College Directorate
- minor changes proposed to previously approved policies are required to keep them updated regularly

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

RESOLVED

The Finance and Resources Committee approves and commends for endorsement by the Corporation Board

ESC 45 College Fees and Course Costing Policy

ESC 30 Capability Policy

ESC 32 Disciplinary Policy

FRC.07.15 RISK MANAGEMENT: SPRING TERM 2015

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':** 'Fundamental' risk – no change
- **Risk S4 'Not achieving 16-18 Learner number targets':** increased from a 'Significant' risk to a 'Fundamental' risk in view of the current expected outturn of learners against target for 2014/15
- **Risk O2 'Severe IT failure':** 'Significant' risk – no change
- **Risk R8 'Poor alignment of strategic planning and financial planning':** 'Significant' risk – no change
- **Risk S6 'Inability to attract/retain and develop staff with the required mix of skills':** 'Significant' risk – no change
- **Risk F3 'Exposure through relationships/partnerships with other providers/institutions':** had been deemed low level, but increased to a 'Significant' risk as the College has increased the risk of the financial costs of SSSC Ltd to medium following recent delays and financial difficulties experienced by some member Colleges
- **Risk S12 'Failure to deliver property strategy':** 'Significant' risk – no change
- **Risk C1 'Serious breach of Health and Safety legislation':** 'Significant' 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: Spring Term 2015 relative to its risk assignments and commends the report for approval by the Corporation Board

FRC.08.15 ANNUAL SCHEDULE OF MEETINGS OF THE CORPORATION BOARD AND COMMITTEES: 2015/2016

The Clerk to the Corporation presented, for consideration and approval, the Annual Schedule of Meetings of the Corporation Board and Committees: 2015/2016.

The Committee was advised that the schedule reflected that of the current and previous years.

Members noted that two meetings are again proposed to be held of the Learning and Quality Committee in the Autumn Term 2015, the second of which would be restricted primarily to consideration of the draft College Self Assessment Report in order to allow relevant data to be available for the meeting.

Members were advised that there is the potential for additional meetings of the Learning and Quality Committee to be held in the Spring Term 2016 to accommodate the workload of the committee and a meeting between the Chair, Principal and Chief Executive and the Chair of the Learning and Quality Committee will take place shortly to discuss further. It was suggested that the Spring Term Corporation meeting is moved to the first week of the Summer Term to provide space for any additional meetings.

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

RESOLVED

The Finance and Resources Committee approves and commends to the Corporation Board the Annual Schedule of Meetings of the Corporation Board and Committees: 2015/2016, subject to any further meetings of the Learning and Quality Committee in the Spring Term 2016 that may be required.

FRC.09.15 CAPITAL PROJECTS AND ESTATES UPDATE

The Vice Principal: Finance and Resources presented, for information, a report updating capital projects and summer works priorities.

Members were advised that the first stage bid to the Coast to Capital Local Enterprise Partnership (LEP) for Capital Funding of £630k towards a project of £1.2m to create an Advanced Skills and HE Enterprise Hub at Gatton Point South in 2016/17 and 2017/18 was unsuccessful. The formal response from the LEP was reviewed and it was noted that further feedback had been given by the SFA. The SFA had indicated that the bid was unsuccessful citing the College's deliverability and affordability of the project which the College is requesting further clarity on.

The Committee noted that, although disappointing the College had been unsuccessful in its bid to the LEP, few large scale projects were received from Colleges on affordability grounds and the intention is to issue unused funds (ring fenced to Colleges) to improve the condition of the College estate.

Members noted the planned summer works, which are currently undergoing detailed specification for tendering purposes:

- IT equipment replacement of £173k for 232 machines
- a number of requests for internal works/conversions at Gatton Point South, as well as replacement furniture and equipment, originally purchased for the capital bid
- assessment of the cost of closing the Old House, which requires considerable maintenance and replacement of the boiler in 2015/16 against the costs of moving the facilities to Gatton Point

Members noted the key impact measures arising from the report.

AGREED

The Finance and Resources Committee receives and notes the report.

FRC.10.15 HUMAN RESOURCES REPORT: SPRING TERM 2015

In the absence of the Director of HR and Professional Development, the Principal and Chief Executive presented, for information, the Human Resources Report for the period to 31 January 2015.

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 established staff hours are fully utilised
- Staff Turnover
 - College turnover is expected to be in line with the AoC benchmark
 - recruitment levels continue to be high
- Performance Management
 - observations of teaching and assessing staff and learning walks by staff and governors continues and feedback has been positive
- Absence Management
 - the current College sickness absence figure continues to be below the AoC benchmark
- Equality and Diversity
 - the comparisons of staff/student/community profiles remain at similar levels to last academic year
- Continuous Professional Development (CPD)
 - completion of online training modules by established staff remains high
- Shared Services in Sussex and Surrey Colleges (SISSC)
 - further developments will be made to the self-service function during 2014/15 as other Colleges go live
 - the e Recruiter system went live in July 2014 and all candidates are now submitting applications via the online system
- Legislation Update
 - January 2015 – managing sickness absence
 - February 2015 – national minimum wage rates
 - April 2015 - adoption leave and pay
 - parental leave
 - shared parental leave
 - removal of restrictions on defined-contribution pension schemes
 - statutory pay increases

Members reviewed the HR KPI dashboard to 31 January 2015.

AGREED

The Finance and Resources Committee receives and notes the Human Resources Report: Spring Term 2015.

FRC.11.15 ENROLMENT 2014/2015 AND APPLICATIONS 2015/2016

The Vice Principal: Finance and Resources presented, for information, a report on the enrolment position at early February 2015.

Members considered the report which provided detailed information in respect of

- 16-18 full time funded enrolments
- 19+ full time enrolments
- 19+ part time enrolments
- Recruitment of 16-18 Apprenticeships
- Recruitment of 19+ Apprenticeships
- HE enrolments
- Community Learning enrolments
- 14-16 recruitment
- High Needs learners

Members noted that

- the College tracks all enrolment and student data rigorously and reports regularly to members on the current position and the implications
- the monthly student numbers return commenced in December 2014; data from the return in early March 2015 is likely to be used as the basis for the initial 2015/2016 grant allocation
- current EFA guidance is that 16-18 student growth can only be allocated for 2015/2016 if achieved, unfunded, in 2014/2015 – 'lagged funding'; the College has not budgeted to take any unfunded learners

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

AGREED

The Finance and Resources Committee receives and notes the report.

FRC.12.15 MANAGEMENT ACCOUNTS FOR THE PERIOD TO 31 JANUARY 20145

The Vice Principal: Finance and Resources presented, for information, the Management Accounts for the period to 31 January 2015.

Members were advised that the report does not take into account any adjustment for FRS 17.

Members considered the detail of the accounts, noting:

- the Board approved a full year operating surplus budget for the year of £50k in July 2014 under the assumption that all grant income would be generated; an income contingency of £167k was provided
- income and expenditure has been pro-rated to obtain an expected ytd budget
- against the profiled budget, the current deficit outturn of £60k generates a negative variance to date of £18k based on the learner numbers at 31 January 2015
- income is currently showing a positive variance of £46k compared with profiled budget
- non pay costs are currently exceeding budget by £216k, due largely to exams fees which have an upfront spend
- the cash balance at 31 January 2015 is over £2m

Members were advised that the reduced activity in programmes is reflected in reduced pay costs to date. However, the use of agency staff for specialist administrative posts has reduced this saving. Pay costs are currently 65.4% of income compared to the budget of 67.89% but rises to 66.2% when agency staff are included. Use of subcontractors rather than own staff to deliver curriculum will lead to a reduction of the full year budget and therefore a virement of the pay budget to non-pay of £200k is required.

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

RESOLVED

The Finance and Resources Committee

- approves the revirement of pay savings to allow a budget of £200k to be set for an additional subcontractor budget and agency pay costs of £80k (which are budgeted within non pay)
- receives and notes the Management Accounts for the Period to 31 January 2015.

FRC.13.15 UPDATE TO THREE YEAR FINANCIAL FORECAST: 2014 - 2017

The Vice Principal: Finance and Resources presented, for information, the update to the three year financial forecast 2014-2017.

The Committee was advised of the range of assumptions made with regard to

- Income
- Pay costs
- Non-pay costs
- Capital costs
- Cash flows

Members considered the documents provided in support of the report:

- Table 1: Income and Expenditure Account
- Table 2: Balance Sheet
- Table 3: Cash Flow Statement
- Table 4: Ratio Analysis
- Schedule 1a: Analysis of Income
- Schedule 1b: Skills Funding Agency and Education Funding Agency Income
- Schedule 1d: Analysis of Staff Costs
- Schedule 1e: Analysis of Non-pay Expenditure
- Schedule 2a: Tangible Fixed Assets
- Schedule 4: Financial Health Grade

Members noted that the forecast shows the College dropping to Satisfactory Health for 2016/2017. There are a number of matters that will be resolved following the election which will give a clearer steer on funding and expenditure priorities.

Members reviewed the letter issued to all colleges from the Skills Funding Agency with regard to allocations for the funding year 2015/16 dated 26 February 2015, noting the key headlines

- Total skills budget available for allocation in 2015/16 will be approximately 17% less than in 2014/15
- Within this, the allocation budget for apprenticeships will initially be set at £770m
- As a result of continuing commitment to apprenticeships, the primary impact of the reduction is on the funds available for allocation as non-apprenticeship (other) adult skills which is estimated could reduce by approximately 24%

Members noted the key impact measures arising from the report.

AGREED

The Finance and Resources Committee receives and notes the report.

FRC.14.15 SHARED SERVICES IN SUSSEX AND SURREY COLLEGES (SISSC)

The Vice Principal: Finance and Resources presented the SISSC Principals' Bulletin Number 9 – 26 February 2015.

Members noted the key elements of the Bulletin

Finance

- System implementation and configuration and set up has been completed at Sussex Coast College
- The 'golive' date for City College Brighton has been postponed at the request of their interim Finance Director

Payroll, HR and e-Recruitment

- Milestone 4 - updated model required to ensure new statutory HMRC payment changes, applicable from April 2015, installed and working for payroll
- Brooklands College is ready to go live in April 2015
- Northbrook and Brighton client builds have progressed well but progress halted temporarily to support Milestone 4 testing prior to installation from April 2015

Negotiations with one of the partner colleges in financial difficulties has resulted in an agreement being reached and final legally binding documentation have been agreed and validated by both SISSC's and the college's solicitors. It was noted that the agreed outstanding amount will be paid in monthly instalments.

AGREED

The Finance and Resources Committee receives and notes the report

FRC.15.15 HEALTH AND SAFETY REPORT: SPRING TERM 2015

The Vice Principal: Finance and Resources presented, for information, the Health and Safety Report: Spring Term 2014.

Members noted salient issues raised in the report

- the accident statistics continue to show a consistent and encouraging picture
- there have been no Riddor accidents reported this term to date
- the inspection in December by the College's Head of Facilities confirmed a continued high standard in all workshop areas
- a range of training events have been held
- the spring term Generic Risk Assessment booklets have been completed
- the 5 year fixed wiring installations remedial works are now ongoing at Gatton Point South, due for completion by Easter with inspection in June 2015
- fire drills for both campuses will take place before the end of the spring term

Members reviewed the KPIs attached to the report.

The Committee noted the key impact measures arising from the report.

AGREED

The Finance and Resources Committee receives and notes the report.

FRC.16.15 KPI DASHBOARD

The Committee received the KPI Dashboard: December 2014 and reviewed the document with particular regard to

KPI 17 – long retention
KPI 16 – class size
KPI 14 – Lesson Observations

It was noted that the January 2015 KPIs is now available.

AGREED

The Finance and Resources Committee receives and notes the KPI Dashboard: December 2014.

FRC.17.15 ANY OTHER BUSINESS

There was no other business.

FRC.18.15 SCHEDULE OF MEETINGS: 2014/2015

Thursday 18 June 2015 commencing at 18.00

At the conclusion of the Part 1 meeting, members moved into a meeting restricted, in accordance with the requirements of the Instrument and Articles of Government and with Section 22 of the Freedom of Information Act 2000, to the members of the Corporation and to senior members of staff of the College.

A handwritten signature in black ink, appearing to be 'M. B. J.', written over a horizontal line.

SIGNED AS A CORRECT RECORD:

DATE: 18 June 2015