

**Minutes of the meeting of the
Policy & Resources Committee held on Monday 18 June 2018, 6.00pm in the
Boardroom**

Present Evelyn Carpenter (Chair)
Stuart Fraser (Vice Chair)
Yvonne Kelly (Principal)
Andrew Brown

In attendance: Wijay Pitumpe (Chief Finance & Enterprise Officer)
Janet Curtis-Broni (Executive Director People, Organisation & Development)
Maxine Deslandes (Director of Finance and Estates)
Victoria Eastwood (Clerk to the Corporation)

1. Welcome and apologies for absence

The Chair opened the meeting and welcomed all in attendance. Apologies for absence were received from Caryn Swart.

2. Declarations of Interest

Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. None were anticipated.

3. Minutes of the previous meeting – 19 March 2018

The Minutes of the previous meeting, held on 19 March 2018, were agreed as a true and accurate record.

4. Matters Arising

An update on outstanding actions from the November 2017 Committee meeting was provided:

Agenda Item	Action	Responsibility	By (deadline)	Update
7	Partnerships spreadsheet to be presented landscape to make it easier to read.	Principal	ASAP	Completed
7	That a RAG rating be used for next year's contracts.	Principal	ASAP	Noted for future reporting.
7	That an update on the current position presented at the April Corporation Meeting.	Principal	19 April 2018	Completed.
10	Apprenticeship update focussing on income vs expenditure for apprentices and BIE be presented at the April Corporation Meeting.	Principal	19 April 2018	Completed.
12	That, going forward, the Health and Safety report include an explanation of any accidents that had occurred and trends for the previous years.	DOFE	ASAP	Noted for future reporting.

12	That it be recommended to the Corporation that Stuart Fraser be appointed as the College's Health and Safety Governor.	Clerk	19 April 2018	Completed.
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5. Committee Self-Assessment

Discussion took place on the timing of self-assessment and it was agreed that this would be deferred to the beginning of the 2018/19 academic year to fill into the December Strategic Planning Event.

Action: That Committee Self-Assessment be deferred to the beginning of the academic year.

6. Draft Annual Budget 2018/19

The Chief Finance & Enterprise Officer (CFEO) advised that the final version of the report would be presented to the Corporation at the July Meeting.

The Committee were informed that there were some income reductions compared to 2017/18 due to lagged funding for 16-18 year olds and non-levy apprenticeship funding reductions. The impact of the final allocations from the funding bodies and income review based on the current year's performance was an overall decrease in funding of £1.9 million.

The CFEO stated that the budget would be managed to achieve realistic targets and the different strategies used to achieve the savings required were highlighted. This inevitably included reductions in staffing and thirty four staff were affected. AEB devolution for 2019/20 would be modelled into the final budget and the borrowings required for D Block incorporated.

The CFEO advised that the operating surplus had been budgeted at £350K in order to generate the minimum surplus necessary to achieve the 'Outstanding' financial health category under ESFA guidance.

The Vice-Chair queried why the number of staff affected (34) was higher than the potential number of redundancies overall (9). The CFEO clarified that the number of staff affected included all staff that were ring fenced in different areas. Each member of staff undertaking the same role must be included in the pot.

Andrew Brown asked how the proposed redundancies would affect curriculum and development. The CFEO responded that the course file was matched against requirements. The Principal stated that the College was using a blended learning model and was looking to increase online learning at higher level. Some class sizes had also been increased. There was a need to develop project funding and the College was seeking to drive forward innovation.

In response to a query from the Chair, the CFEO clarified that the decrease in HE income was in direct correlation to the drop in learner numbers.

The Chair queried the position re agency staffing. The Executive Director People, Organisation & Development (EDPO) responded that the College managed service contracts and had some long standing agency workers who were a benefit to the College.

The Chair stated that the Corporation could feel confident that the Committee had thoroughly looked at the detail of the report.

Agreed: That the Draft Annual Budget 2018/19 had been thoroughly looked at by the Committee in preparation for the full report to be submitted to the Corporation.

7. Financial Regulations Annual Review

The Director of Finance and Estates (DOFE) highlighted the changes to budget holder limits to fall in line with tender regulations and the public sector norm.

The Chair stated that in reference to the paragraph concerning the College Leadership Forum, it would be interesting to see the top level structure alongside names for information. It was agreed that this would be made available.

The Chair stated that reference 7.6 should be amended to read 'College trips.' This was agreed.

Further discussion took place on budgetary limits and the remaining content of the financial regulations. The Committee recommended the financial regulations to the Corporation for approval.

Action: The top level leadership structure alongside names to be made available to the Committee. That reference 7.6 be amended to read 'College trips.'

Approved: The Committee recommended the financial regulations to the Corporation for approval.

8. Management Accounts to end April 2018

The DOFE presented the management accounts, highlighting the current pressures and shortfalls as discussed earlier under the draft annual budget. She advised the Committee that the report presented was best case scenario.

In response to a question from the Vice-Chair, the DFEO advised that current pay savings had been made through underspend and not utilising agency resources. Any requests for recruiting for vacancies were on hold.

The Vice-Chair asked for clarification on cash flow. The DFEO stated that cash flow dipped between January and March dependant on when funds were received from the ESFA.

Agreed: That the current position be noted.

9. (a) Treasury Management Policy

The DOFE reported that the College was required to review and update its Treasury Management Policy on a regular basis. Due to the banking crisis six years ago, credit ratings for the majority of financial institutions had fallen. The regulations had now been reviewed to reflect this.

The DOFE noted an error in the report that the Head of Finance & Estates should have read Director of Finance & Estates and advised that she would amend this.

After further discussion on the contents of the report, the Policy was approved.

Approved: That the Treasury Management Report be approved for future use.

(b) Engagement of Nationwide Building Society

The CFEO informed the Committee that the College was seeking better investment rates and had met with Nationwide Building Society as their investment interest rates were more favourable than the banks. Nationwide were A star rated and had assets over £1bn which complied with the Treasury Policy criteria. Committee Members were referred to Nationwide's credit rating report.

The CFEO added that the College would undertake a revolving credit agreement and would try to use cash reserves where possible but was conscious of existing pressures.

The Vice-Chair asked how much the College would want to invest. The CFEO replied that the intention was to try to keep £3m as working capital and therefore anything above this would be invested. The maximum the College could invest was £5m. Nationwide did not provide commercial lending.

Approved: The Committee approved to recommend to the Corporation that Nationwide Building Society be added to the College's financial institutions in which to invest College cash.

10. Sub-Contracted (Partnerships) Progress Report

The Principal reported that partnership provision was on track and adult provision was forecast to hit target. Apprenticeships were running behind at 87% and this was being closely monitored. It was noted that FWD was a concern as there continued to be some issues which had resulted in the withdrawal of two learners.

In response to a query from the Vice-Chair, the CFEO stated that adult funding was dependant on learner circumstances. The adult budget was c£5.6m and next year had now been fully funded for those learners with low incomes. At present 86% of funding was passed to subcontractors and the College retained 20%.

The Chair commented that partnership work was delivering above national levels and added to the bottom line for the College.

The Committee discussed the tender process as outlined in the report, focussing on timelines and priorities.

Agreed: That the current performance of 2017-18 subcontracted/partnership provision be noted.

Approved: The tender process, timeline and priorities for 2018-19 were approved.

11. Capital Development Update

The CFEO provided the latest update on the D Block project, highlighting the following:

- All relevant professionals had been appointed and project design was well underway
- The project was currently at RIBA Stages 3/4
- All actions from the planning meeting held in December 2017 had now been completed
- Current drawings were shown to the Committee
- Fire engineering design consultants were advising re cladding.
- Total cost of the project was now £10 million – the building project could be scaled
- Decanting plan being finalised – c30/30 portakabins would be required

Detailed discussion on the plans for the roof, ground floor and cladding took place.

The Vice-Chair asked how using the existing cladding would affect energy. The CFEO responded that this was being assessed by BREAM engineers. This would not affect the front of the building and therefore the design but the designers were working on other options. The report would be circulated when available.

The Principal informed the Committee that the College had received Stage 1 approval for IoT and would be bidding for full capital which would look to support this project. The top floor would be replenished not refurbished and the ceilings would remain.

The Chair questioned the position on the installation of a green roof as suggested in the Be First report. The CFEO advised that it was not possible to proceed with this but the College was still looking to improve the area with the installation of bird cages etc. An ecological report was taking place and the College intended to liaise with the Woodland Trust etc. The Architects would ensure compliance with the Be First recommendations.

The Vice-Chair asked what had caused the increase in costs from the original budget. The CFEO confirmed that this was due to an increase in services. The Corporation would need to approve any changes.

Agreed: That the current position be noted.

Action: The report on cladding be issued to the Committee when received.

12. HR Termly Report inc Performance Management and IIP

The EDPO provided a comparison report on the College's workforce information with the National AoC Survey for the period 1 August 2016 to 31 July 2017. The College had a slightly lower % working time lost through absence than the national average but at the time of the survey absence levels were higher by 0.1% compared to the same time the previous year. The College's strategies for managing both short and long term absence mirrored national strategies although the College used Capability Procedures more than other FE Colleges.

In addition the EDPO highlighted:

- Number of Apprentices employed at the College was twenty six
- Staff turnover – slightly higher than the national average
- Operational and HR data
- Employment Law updates

In response to a query from the Vice-Chair, it was agreed that average staff turnover for London would be included in the next report.

Andrew Brown queried what level did staff turnover need to reach for it to be a concern. The EDPO replied that staff turnover included end of fixed term contracts, redundancies and retirements. At present the current percentage was ok, performance management issues in 2015/16 had affected and impacted on figures. A static workforce, however, would also have challenges.

The Chair thanked the EDPO for a clear and helpful report.

Agreed: That the position be noted.

Action: That the average staff turnover percentage for London be included in the next report.

13. (a) Updated Health and Safety Policy

The DOFE presented the streamlined Health and Safety Policy comprising of three parts:

- Statement of Intent
- Organisation – Responsibilities for Health & Safety
- Arrangements for Health & Safety

Environmental and Sustainability Policies and Procedures would be reported at the November 2018 Committee Meeting.

The Vice-Chair asked whether there was a policy for mental health awareness. The DOFE responded that this formed part of the Wellbeing Policy which was current being reviewed. The College had volunteer First-Aiders on all campuses and College Counsellors were in post. The EDPO added that there had been a lot of training on mental health and work with external agencies. The Wellbeing Policy would be presented in November 2018.

The Vice-Chair asked whether fire safety was reviewed. The DOFE advised that the Fire Brigade had reviewed and looked at the set up at the College and the TSA. No issues had been identified at the College and all staff had undertaken fire and awareness training.

Approved: That the Health and Safety Policy be approved.

Action: Wellbeing Policy to be included for review at November 2018 Committee Meeting.

(b) Health and Safety Update

The DOFE reported that the type of Health and Safety incidents thus far for the year had been included for context.

In response to a question from the Vice Chair, the EDPO clarified that no eye incidents had taken place and this was covered in the policy on protection.

Agreed: That the current position be noted.

14. Governor Liability Insurance

The CFEO reported that the purpose of the report was to inform Governors of their liability as Corporation Members and insurance arrangements in place to mitigate this liability.

The Committee were advised that ‘ as long as members ensure that Corporation does not exceed its powers in law, and as long as members exercise a duty of skill and care, and act reasonably, honestly and prudently, in good faith in the interests of the Corporation, **individual members should not be held personal liable.**’

The CFEO referred to the insurance arrangements with Zurich Municipal, highlighting the limit of governor’s liability indemnity of £5m.

Agreed: That the position be noted.

15. Any Other Business

There was no further business.

16. Date and time of next meeting – Monday 19 November 2018, 6pm – it was noted that this date was not convenient for the Chair and the possibility of changing dates with the Performance and Standards Committee would be explored.

The Chair thanked all those in attendance for their contributions and timely reports. The meeting concluded at 7.20pm.

Signed.....
Evelyn Carpenter (Chair)

**POLICY & RESOURCES COMMITTEE
ACTIONS**

Agenda Item	Action	Responsibility	By (deadline)	Update
5.	Committee Self-Assessment be deferred to the beginning of the academic year.	Clerk	October 2018	
7.	The top level leadership structure alongside names to be made available to the Committee.	Principal	ASAP	
7.	Reference 7.6 be amended to read 'College trips.'	DOFE	ASAP	
11.	The report on cladding be issued to the Committee when available.	CFEO	ASAP	
12.	The average staff turnover percentage for London be included in the next report.	EDPO	November 2018	
13a	Wellbeing Policy to be included for review at November 2018 Committee Meeting.	DOFE	November 2018	