

**Minutes of the meeting of the**

**Policy & Resources Committee held on Wednesday 26 June 2019, 4.00pm in the Boardroom**

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|  **Present**  | Evelyn Carpenter (Chair) |  |  |
|  | Stuart Fraser (Vice-Chair)Yvonne Kelly (Principal)Forhad Altafi |  |  |
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 **In attendance:** Wijay Pitumpe (Chief Finance & Enterprise Officer)

 Maxine Deslandes (Director of Finance and Estates)

Janet Curtis-Broni (Executive Director People, Organisation & Development).

 Victoria Eastwood (Clerk to the Corporation)

 Andy Wright (Health, Safety & Sustainability Manager for Agenda Item 12)

**Observer**: Mark Farrar (Corporation Chair)

1. **Welcome and apologies for absence**

The Chair opened the meeting and welcomed all in attendance. Apologies for absence were received from Andrew Brown. The Clerk informed the Committee that a review of Committee membership had taken place and it had been decided that Andrew Brown would become a member of the Performance & Standards Committee going forward. The intention is for Carole Ditty to join the Policy & Resources Committee as from next academic year. This would be approved by the Corporation at the July Meeting.

1. **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.

1. **Minutes of the previous meeting – Monday 25 March 2019**

The Minutes of the previous meeting, held on Monday 25 March 2019, were agreed as a true and accurate record.

In response to a query from the Vice-Chair, the CFEO clarified that discussions regarding the proposed sale of land had been finalised. Any future discussions would form part of the Infrastructure Strategy.

*It was agreed that Agenda Item 12 would be taken at this point.*

1. **a) Annual Review of Health & Safety Policies**

The Health, Safety & Sustainability Manager (HSSM) informed the Committee that he was the Chair of the College’s Health and Safety Committee and referred to the updated health & Safety procedures that had been presented to the Committee or were to be presented at the next meeting.

The Vice-Chair queried whether students were represented on the Health and Safety Committee. The HSSM confirmed that a representative from the Student Union had attended the last Committee and was now engaged in the process and would be attending future meetings.

The Chair asked for further details on the Sustainability procedure and Green Travel procedure. The HSSM advised that with regards to sustainability, the College was looking at the effectiveness of energy and resources, following the carbon footprint approach, engaging with students, considering environmental factors and ensuring wellbeing across the College. The Green Travel procedure featured pollution high on the agenda and encouraged staff to walk to work or use public transport.

The Corporation Chair questioned what procedures were in place to ensure the health and wellbeing of the College’s employees. The HSSM responded that this was a key objective for health and safety and engaged with areas across the College. It was agreed that a report on procedures to address wellbeing in the College would be presented at the next meeting.

**Action: Report on procedures in place to address wellbeing across the College to be provided at the next meeting.**

**b) Health and Safety – Annual Report**

The HSSM reported that he had been in post as Health and Safety Manager for six months and received a lot of support and awareness to ensure the College was as compliant as possible. The focus had been on ensuring all risk assessments were up to date which was completed and there was now a move to ensure all staff training was current. The HSSM added that he was confident that the College would be able to achieve a RoSPA award next year.

The Vice-Chair asked if there were any issues with ISG concerning health and safety. The HSSM responded that audits were regularly undertaken and all outcomes had been positive. There was good communication between the College and ISG and there had been no health and safety issues since the project started. The CFEO added that the statistics regarding ISG were included in the Capital Development Update.

The Chair stated that it would be useful to see three year trends with regard to incidents recorded to be able to see if there have been any improvements. This was agreed.

The Chair questioned whether there was a trend within the acts of violence recorded. The HSSM stated that the number of acts of violence recorded was actually quite low considering the amount of students within the College and some of the issues the College faced. Staff were well trained and worked closely with the security team to try to mitigate any incidents and the appropriate risk assessments were in place.

The Chair asked whether the incidents relating to medical conditions had increased. The HSSM replied that the data included incidents of fainting and staff were aware of the procedures to undertake for difficult scenarios. All staff and learners were encouraged to report any incidents.

The Chair queried the category for miscellaneous incidents and asked for any examples. The HSSM stated that sometimes incident were recorded as miscellaneous through the confusion of not knowing how to specifically categorise an incident e.g. if a student banged their elbow and this did not fit into a category. The College was looking into providing categories that could be drilled down into to mitigate any uncertainty and confusion.

The Vice-Chair referred to fire safety and asked whether the College had the correct cladding in place. The HSSM advised that a fire review had recently been undertaken across all sites and a positive outcome had been achieved for fire procedures, policies and escape routes. Practice fire drills also take place.

The Chair thanked the HSSM for attending the meeting and presenting two very comprehensive reports which had provided confidence to the Committee on the current health and safety arrangements within the College. The policies were approved.

**Action: Three year trend for incident reporting to be included in the next Health & Safety Report to the Committee.**

1. **Matters Arising**

An update on outstanding actions from the March 2019 Committee meeting was provided:

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| **Agenda Item** | **Action** | **Responsibility** | **By (deadline)** | **Update** |
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| 7 | That the consultation document and AoC response to the government consultation on the review of post-16 qualifications at Level 3 and below be shared with the Corporation when available. | Principal | As soon as available | Consultation closed on 10 June – only draft response document is available at present. The College is hosting a BTEC showcasing event alongside Pearson to inform the review. |

Discussion took place on the proposed subsidiary company for agency staffing. The Vice-Chair queried whether the subsidiary would achieve better than the current arrangements. The Executive Director – People & Organisational Development (EDPO) explained that the College preferred to have flexibility with a combination of agency and permanent staffing. The current preferred supplier list contract expired at the end of this year but the proposal was for the Engineering, Construction, English and Maths, Electrical Science and IoT areas agency staffing to be managed in house. Currently a lot of staff in the specialist areas had been found by the College and recommended to the agency.

The Committee were reminded that the subsidiary company Aspire was initially established as an agency staffing company for English and Maths and this had been successful. The College would also save on VAT and management fees to a total of 32%. At present the College paid the hourly rate of £28.50 to the agency but the agency worker only receives £21/hour. With the new proposal the College would be able to pay the £28.50 direct to the agency workers. The Principal/CEO added that the subsidiary would assist in taking ownership of none permanent staff and to ensure an alignment to the delivery required.

The Vice-Chair enquired whether there would be any greater liability. The EDPO stated that the contract would be similar to that for Aspire. The benefits would be statutory; the pension would through the Government pension scheme but the hourly rate would include an element of holiday pay.

The Vice-Chair asked for clarity on the position when the agency staff were not required. The EDPO advised that the agency staff would be on variable hours contracts but there would be the option for them to attend courses or training during the times they were not required for teaching.

The Staff Governor questioned whether the Recruitment Consultant position would be an externally advertised role. The EDPO confirmed that the position would be advertised externally as a permanent member of staff. The role required someone who would understand the commercial target driven sector.

The Vice-Chair asked how the Subsidiary would be monitored. The CFEO clarified that the Subsidiary would have a separate Board and accounts.

In response to a query from the Chair, the CFEO stated that any bottom line profits made would be put back into the College.

**Approved: The Committee approved the Subsidiary proposal. The Corporation had received clarification via email and the Chair had previously registered his approval.**

1. **Draft Annual Budget 2019/20 & 3 Year Financial Forecast**

The CFEO clarified that the report was in two parts: College annual budget for the financial year 2019/20 and forecast for 2020/21.

The CFEO reported that the College was targeting a £350K surplus, however, the impact of the final allocations from the funding bodies and income review based on the current year’s performance, was an overall stand still position in funding. Due to cuts in individual course rates there was a bigger real term decrease in funding. In addition, there were unavoidable cost increases such as utilities, pension costs, OfS subscription, QAA and JISC subscriptions.

The Committee were advised that in order to future proof the college, the curriculum offer must be re-prioritised to match funders requirements, needs of employers and LEAP priorities and to support the new developments. Savings needed to be made of c£2 million. Subsequently, a redundancy programme has taken place based on curriculum course files in the business planning process. Currently 60 staff were affected, however, only 21 FTE actual redundancies were required although there were also redeployment opportunities. The Committee agreed that a continued emphasis upon quality issues needed applying to ensure that the College remained an attractive destination for students, employers and other stakeholders.

In response to a query from the Vice Chair, the CFEO confirmed that he contingency was included to be carried forward.

The Chair questioned whether LGPS being valued in year was a risk. The CFEO advised that this was a risk but the early indications from the Borough were that the variances would not increase for the College.

The Chair referred to the curriculum redundancies tables and queried the redundancies in English and Maths. The CFEO informed the Committee that even though there were shortages in English and Maths, the current delivery methods needed to be changed. The Principal/CEO stated that the College was progressing an online delivery model and this has resulted in the requirement for less teachers. It was noted that there was the option for staff to teach in different areas where the roles were required e.g. a move from teaching 16-18 to teaching adults.

The Chair asked for the position on average class sizes. The Principal/CEO responded that the average class was currently c17, however, there were bands in place based on the needs of the learners.

The CFEO referred to the key assumptions contained in the 2019/20 budget advising that the main change was the devolution of the AEB budget to the GLA. The position for AEB currently remained static, however, the picture going forward was uncertain.

The Committee were informed that there had been no changes to the financial objectives that had been approved by the Corporation in July 2018 and the financial health category of ‘Good’ to ‘Outstanding’ remained.

In response to a query from the Corporation Chair, the CFEO advised that a 24 month cash flow forecast was included in the budget being presented to the Corporation at the July Meeting. Due to timings, the forecast was not available for this meeting, hence the Committee were asked to discuss and note the report but not to formally approve it.

The Chair queried whether the ten year plan preventative maintenance survey cost of £115/per annum was sufficient. The CFEO replied that the majority of the Rush Green site was new and it was D Block that had required the most maintenance, however, this was now being refurbished.

The CFEO stated that the College had been very prudent for the future forecast even though the College was in a growth Borough. The climate was very difficult.

The Vice-Chair questioned where the opportunities were for the College and when a discussion around these could take place. The CFEO advised there were lots of opportunities but unless they were certain they could not be included in the forecast. The Principal/CEO added that areas for opportunities were included in the three year strategy plan which the Board would have sight of once completed.

The Corporation Chair asked whether there was an expectation of what the IoT could produce financially. The CFEO stated that the College was currently holding meetings with the employers and once these meetings were finalised, the opportunities would be costed and form part of the Commercial Agreement. This would be quantified to the Board when fully completed.

The Chair noted that the budget was fragile - there were a lot of opportunities but also a lot of additional expenditure.

The CFEO referred to the capital budget provided for at £1 million for 2019/20 and £600k for 2020/2021 advising that the 2019/20 budget included the planned College equipment replacement programme including IT for the IoT building. The budget would revert to £600K for the following year.

The CFEO referred to the financial health grade in Appendix 1 explaining how the grade is calculated. He advised the College was 0.05% from remaining as Outstanding but this would require a c£50K increase in the contingency. The Committee agreed that the College should strive to achieve Outstanding if possible.

The CFEO stated the uncertainty regarding the next spending review and the position on Brexit.

**Agreed: The Draft Annual Budget 2019/20 & 3 Year Financial Forecast was noted and to be recommended to the Corporation for further discussion and approval to include the 24 month cash flow.**

1. **Financial Regulations Annual Review**

The Director of Finance and Estates (DOFE) confirmed that there had been no changes to the financial regulations from the previous year.

The Chair referred to the modern anti-slavery statement and asked if the College had encountered any issues of this nature within its supply chains. The DOFE confirmed there had been no issues. A self-declaration regarding anti-slavery policies was issued to all employers and all contractors worked with the College to ensure their staff were adequately resourced and relevant policies and procedures in place. The EDPO added that the College also ensured that contractors paid in line with the national living wage.

In response to the Corporation Chair, the EDPO advised that the College was considering moving to the London Living Wage as there were currently some apprentices in lower bands. The Chair added that the London Living Wage was an important and reputational issue. The Principal/CEO stated that the modelling had been done and the position was being considered for next year. The CFEO added that the funding received by the College did not take this into consideration.

The Corporation Chair noted that item 11.3 should refer to the College being GDPR compliant and not reference the Data Protection Act. It was agreed this would be amended.

**Recommendation:**  **That the Financial Regulations be recommended to the Corporation for approval.**

**Action: Item 11.3 to refer to the College being GDPR compliant and not the Data Protection Act.**

1. **Management Accounts to end May 2019**

The DOFE the latest financial information for ten months of the financial year to 31 May 2019. The Committee were advised that the College was working towards a target operating surplus of £350K. The current shortfall was £747K and the shortfall on tuition fees had increased from last month. This was now being scrutinised on a monthly basis.

The DOFE advised that compensatory savings and strategies had been identified to address the shortfall and alongside utilising the contingency it was hoped to be able to hit the target. It was also the time of year to release agency staff and slow down non-pay expenditure.

The Chair asked for clarification concerning the compensatory saving within the maternity fund of £40K. The DOFE stated that the actual pot was £50K but only £10K had currently been spent. The fund was in place to back fill the posts with agency staff or if someone stepped up. The fund would revert to £50K next year.

In response to the Chair, the DOFE clarified that a zero based approach on a fresh course file was looked at for next year and all budgets were reset.

The Corporation Chair asked when the data for income and costs by course would be available. The CFEO stated that this information had been attached to the management accounts consideration by the Corporation.

The Vice-Chair asked what the picture looked like for the end of the academic year. The DOFE stated it was an optimistic picture. The CFEO added that all orders within the College had been scrutinised since February.

The Chair referred to the self-insured losses in the accounts for Aspire. The DOFE stated that this was an insurance claim - Aspire had taken on a commission to build a website which had not been completed to the customers satisfaction and the College had refunded their payment.

**Agreed: That the current position be noted.**

1. **Capital Development Update**

The CFEO provided an update on CAT development (now the IoT), highlighting:

* IoT and capital grant money
* Budget for refurbishment – still within 10.2 million

The Vice-Chair stated that the expenditure to the end of the May looked very low and asked if there was an updated cost forecast from ISG. The CFEO referred to the payment terms in the first table advising that the College was managing cash flow.

The CFEO informed the Committee that ISG were currently reporting a two week delay but were confident they would catch up the time. One risk to completion on 23 August 2019 was the upgrade of the College’s electrical transformer. The risk attached was having to rely on temporary supply until the works were completed. The College needed to upgrade to higher voltage but the cost for this would be taken from the IoT capital funds and therefore would not affect budget.

The Vice-Chair stated that the College needed to ensure the provision of temporary supplies and the switch back to the permanent supply needed to be managed to lessen disruption. The CFEO assured the Committee that this had been considered by the Engineers.

The CFEO reported that £370K + VAT remained from the refurbishment monies therefore a portion of the 19/20 capital budget would be required to fund the refurbishment.

**Agreed: That the current position be noted.**

1. **Report on Huawei**

The Principal/CEO reported that the College had been working in partnership with Huawei since 2017 and was a member of the Huawei ICT Academy Advisory Board. Huawei had been hugely supportive of the College and the College had benefitted with opportunities for students and access to kit. Discussions were now taking place regarding access to the Levy.

The Chair queried what would be the worst case scenario for the College if the UK Government did not want to maintain a relationship with Huawei. The CFEO stated at present there would be very little impact, the College did not have plans to use their infrastructure within the College or purchase network equipment. The CFEO added that the College needed to be cautious regarding the College’s infrastructure and any risk needed to be managed.

The Chair referred to learning pathways and asked if this was already in place in the College. The Principal/CEO replied that the pathways extended existing learning for learners and provided the opportunity to take their learning to the next and a higher level.

The Vice-Chair asked how many students were currently benefitting from the College’s relationship with Huawei. The Principal/CEO responded that it was mainly the IT and Digital areas and therefore c200-300 learners.

The Chair thanked the Principal/CEO for the report.

**Agreed: That the current position be noted.**

1. **Partnerships Progress Report**

The Principal/CEO stated that responsive action to underperformance had taken place and the overall predicted QAR was 94.47% against a target of 90%..

A detailed breakdown of individual performance for each subcontracted partner and against each managing agents’ contract was provided. The Vice Chair asked what the issue was with JTL. The Principal/CEO responded that JTL did not have the infrastructure to deliver.

The Chair acknowledged the effort the College made to ensure quality for learners. The Principal/CEO advised that the supported internship would increase.

The Committee were asked to approve the 2019/20 proposed subcontracting budget:

* The planned approach to maintaining the 2018/19 AEB subcontracting budget of £880,000 in 2019/20.
* Up to £60,000 supported internship funding in 2019/20 to support up to 10 learners; this utilises 16-18 funding

The Committee were advised that the above would result in a total subcontracted budget of £940,000; of which 80% £752,000 would be paid to subcontractors, with 20% £188,000 being retained as a 20% management fee by BDC. As in previous years the provision would be secured through an open competitive tender process due to commence in June 2019. The 2019/20 proposed subcontracting budget was approved by the Committee.

**Approved: The 2019/20 proposed subcontracting budget was approved by the Committee.**

1. **HR Termly Report**

The EDPO referred to HR transactional activities that had taken place during the last term and provided an update on performance management, employment law, HR developments and the Section 188.

The Chair questioned why 384 jobs had been advertised in 2018/19 but only 203 individuals had been interviewed. The EDPO stated that in some cases the College had not received applications from any suitable applicants.

The Staff Governor asked if the College recorded the demographics of the applicants. The EDPO advised that the last time this had been reported c20% of staff had resided within the Borough. It was agreed that the report would be made available at the next meeting of the Committee.

The Corporation Chair stated that it would be useful for a report on changing skills sets, workforce plan, and succession planning etc to be brought to the Board for discussion. This was agreed.

**Action: Report on the demographics of applicants to be included in the next HR Update.**

 **Report on changing skills sets, workforce plan, and succession planning etc to be brought to the Board for discussion in the new academic year.**

1. **Freedom of Information Policy**

The Clerk presented the Freedom of Information Policy advising that this formed part of the GDPR compliance process and once approved would be made available on the College website. The Committee were informed that few Freedom of Information requests had been received and these were mostly companies wanting details on the College’s suppliers.

The Chair sought clarification on the exemptions at point 5.3 of the report, specifically: ‘information that the Principal of the College decides is not in the public interest to disclose.’ The Clerk advised that this related to information deemed commercially sensitive.

**Approved: That the Freedom of Information Policy be approved for future use.**

1. **Governor Expenses Policy**

The Clerk advised that the Governor Expenses Policy had been revised to include more detailed information on allowances and the procedure for claiming Expenses.

**Approved: The Governor Expenses Policy was approved for future use.**

**Any Other Business**

There was no further business.

**Date and time of next meeting – To be confirmed at the July Corporation Meeting.**

The Chair thanked all those in attendance for their contributions and reports. The meeting concluded at 8.12pm.

Signed…………………………………………. Date………………………………

Evelyn Carpenter (Chair)

**POLICY & RESOURCES COMMITTEE**

**ACTIONS**

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| **Agenda Item** | **Action** | **Responsibility** | **By (deadline)** | **Update** |
|  |
| 6. | Item 11.3 to refer to the College being GDPR compliant and not the Data Protection Act.  | DOFE  | Immediate |  |
| 7. | Report on the demographics of applicants to be included in the next HR Update.  | EDPO | November 2019 |  |
| 7. | Report on changing skills sets, workforce plan, and succession planning etc to be brought to the Board for discussion in the new academic year. | EDPO | November 2019 |  |
| 12 (a) | Report on procedures in place to address wellbeing across the College to be provided at the next meeting. | HSSM/EDPO | October 2019 |  |
| 12 (b) | Three year trend for incident reporting to be included in the next Health & Safety Report to the Committee. | HSSM | December 2019 |  |