

**Minutes of the meeting of the**

**Policy & Resources Committee held on Monday 14 October 2019, 4.00pm in the Boardroom**

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|  **Present**  | Evelyn Carpenter (Chair) |  |  |
|  | Stuart Fraser (Vice-Chair)Yvonne Kelly (Principal)Carole Ditty (Governor)Forhad Altafi (Staff Governor) |  |  |
|  |  |  |  |

 **In attendance:** Wijay Pitumpe (Chief Finance & Enterprise Officer)

 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 Carole Ditty to her first meeting of the Committee. Apologies for absence were received from the Executive Director – People & Organisational Development.

1. **Declarations of Interest**

Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. The Chair and Vice-Chair declared an interest in Agenda item 5.

1. **Minutes of the previous meeting – Wednesday 26 June 2019**

The Minutes of the previous meeting, held on Wednesday 16 June 2019, were agreed as a true and accurate record.

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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| 6. | Item 11.3 to refer to the College being GDPR compliant and not the Data Protection Act.  | DOFE  | Immediate | Complete |
| 7. | Report on the demographics of applicants to be included in the next HR Update.  | EDPO | November 2019 | To be included in the report to the Strategic Planning Event |
| 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 | Included in Corporation Business Cycle |
| 12 (a) | Report on procedures in place to address wellbeing across the College to be provided at the next meeting. | HSSM/EDPO | October 2019 | To be included in the report to the Strategic Planning Event |
| 12 (b) | Three year trend for incident reporting to be included in the next Health & Safety Report to the Committee. | HSSM | December 2019 | To be included in the Report to the Corporation |

1. **Appointment of Committee Chair and Vice Chair**

The Clerk reported that the existing Chair and Vice-Chair had confirmed their willingness to continue in their respective roles for a further one year term. As the Staff Member and Principal were not permitted to undertake the role of Chair or Vice-Chair and Carole Ditty had only just joined the Committee, it was recommended that the current Chair and Vice-Chair continue.

**Approved: The Committee unanimously agreed that Evelyn Carpenter remain as Chair of the Policy & Resources Committee and Stuart Fraser remain as Vice-Chair of the Policy & Resources Committee to be reviewed at the beginning of the 2020/21 academic year.**

1. **Committee Self-Assessment Feedback**

The Clerk referred to the proposed actions to address the self-assessment questions which had been rated ‘amber’ by the Committee. The Committee were assured that although the responsibility of the Committee did not involve curriculum, its remit was to ensure that matters of college policy, funding, financial management, HR and organisational development were sufficiently monitored – all of which impacted on the student experience.

The Principal/CEO reported that a dashboard including finance/IoT and IoT combined with HE would be provided going forward.

In response to a query from Carole Ditty, the Clerk clarified the reporting lines between the Committees and the Corporation and the introduction of committee reports to avoid duplication.

**Agreed:**  **That the self-assessment feedback be noted and the actions to address any weaknesses agreed.**

1. **Committee Schedule of Business 2019/20**

The Clerk reported that the schedule provides the core business for the 2019/20 academic year but will be subject to change dependant on the changing FE landscape.

The Principal/CEO advised that the IoT licence agreement need to be added to the schedule going forward to ensure compliance was being monitored.

**Approved: That, subject to the addition of the IoT Licence Agreement, the Committee Schedule of Business be approved for future use.**

1. **Review of Committee Terms of Reference**

The Clerk presented the proposed Committee Terms of Reference for 2019/20 and highlighted the suggested minor amendments.

In response to a query from the Chair, the Committee were advised that student governors were not permitted to sit on the Committee due to the financial remit of the Committee.

**Approved: The Committee agreed the proposed amendments and approved the Committee Terms of Reference for future use.**

1. **Committee Risks**

The Chief Finance & Enterprise Officer (CFEO) informed the Committee that risk management was embedded throughout the College via the business planning process. Each business unit had its own register and all registers were reviewed at six weekly intervals by the Senior Leadership Team (SLT). Updates to the risk register were monitored through the Audit Committee who had overall responsibility to advise and monitor arrangements for risk management.

The Clerk further clarified that the purpose of introducing a committee risks report was to ensure that all relevant committees understood and were able to monitor the risks specific to that committee. It was noted that due to a timing issue, the risk register included in the papers was the latest version as at August 2019 and had not been updated for 2019/20. The Clerk explained that the register would be updated and approved at the December Audit Committee and a current version for 2019/20 would then be available. All Governors would be provided with the updated version for comment at the December Corporation Meeting.

The Chair commended the Principal/CEO on the position regarding tackling extremism and radicalisation. The Principal/CEO advised that this was in the context of safeguarding.

The Vice-Chair noted that a review of the content of Section 11 - Health and Safety was required and suggested recording actions to mitigate the negative impact of these targets. The CFEO replied that this would be included in the report to the Audit Committee.

The Chair advised that whilst the Committee had been considering this agenda item, the impact on learners for HR, Safeguarding and Health and Safety had been discussed (referencing the action from the committee self-assessment). The Principal/CEO added that there were different sets of policies and resources for all the student bodies within College.

Carole Ditty stated that the risk register was a very comprehensive well thought approach to risk and added that she had found the register helpful.

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

1. **Management accounts to end September 2019**

The Director of Finance & Estates (DOFE) reported that the management accounts for the end of September 2019 due to the timing of the meeting, as the management accounts were prepared by 10 working days when the necessary information was gathered. There was therefore an assumed profile budget for these accounts but more comprehensive information would be provided within the accounts to be presented at the October Corporation Meeting. In addition HEFCE income would need to be updated and revised in light of the current position with the OfS and this would also be reflected in the October management accounts.

The Committee were informed that cash in the bank stood at £5.8 million and the College had not made use of the existing £3m loan facility for the D Block development. There was one further claim to put in for the last quarter to the GLA but the major spend had gone through. The DoFE advised that the IoT project would be included going forward.

The Chair referred to point 2.2.1 which stated that ytd expenditure to the end of September was a favourable variance of £0.408m due to vacant posts and efficient management of resources. However, Appendix A detailed that the total number of staff had increased from 376 to 387. In addition, the Chair asked what was the impact of the £0.742m variance within non-pay costs.

The DOFE advised that with regard to point 2.2.1 the variance was where staff may not actually be in post and there were no agency staff in place at that time either. The variance in non-pay costs was due to the timing of spending. The August and September spend was low as the College activities were low. This would increase when the College activities progressed.

The Chair stated that it would be useful if an additional sentence could be put in to explain the position. Carole Ditty added that it would be beneficial to highlight that this was not a concern. This was agreed.

Stuart Fraser commented that at the previous meeting the financial position was portrayed as quite poor but it now seemed more optimistic for last year. The DOFE replied that the College had needed to be pragmatic and had not known what the FRS102 position would be (this was still not clear). The College had currently saved £300K as the cost was expected for FRS102 to be £800K and had actually been £500K. In addition, a number of ESF projects had finished and the money could now be incorporated as this was not included until the project had finished. It was predicted that there would be a c£100K surplus for the College and possibly break even for the group including FRS102, the surplus would be £600K excluding FRS102.

**Action: Additional sentence to be included within management accounts to clarify expenditure.**

1. **Update on FE Issues**

The CFEO highlighted the following issues within FE:

* Funding - 16-18 rates increased by 4.7% which would benefit the College by c0.5 million
* GLA funding opportunities
* Innovation fund – College could bid up to £0.5 million
* Small equipment fund - College could bid up to £300K – various options were being explored including SEND
* Dame Mary Ney undertaking an independent review of how the government monitors colleges’ finances and financial management.
* New financial model introduced by the Education Skills Funding Agency (ESFA). Three year forecast must be provided each July and financial health will be calculated based on performance. The ESFA are now reviewing whether the current measurements are still relevant and going forward the College will need to produce a mid-year forecast. The College has been financially outstanding for the last few years and is expected to remain outstanding for 2018/19
* Pension costs – The College will receive c£500K to assist with teachers’ pension costs for this year, however, a clear answer has not been received to explain the position for next year.

The Chair asked whether the Committee will receive reports on the mid-year forecast. The CFEO replied that this was dependant on timings but the reports would be received by this Committee or the Corporation.

The Chair noted concern that there was no ongoing support for the pension issue.

In response to a query from the Vice-Chair, the Principal/CEO reported that the total value income for 5 years for the IoT was c£30 million; £21 million would be received for the College. The Department for Education (DfE) would monitor the IoT through each Key Performance Indicator (KPI) and progress would be reviewed through the IoT Directing Body reporting to the Corporation. A ‘deep dive’ of the IoT would be presented at the Corporation Strategy Day.

The CFEO stated that the position with Brexit was still unknown but the College would be affected by the following:

* Access to education
* Outward mobility
* Recruiting and retaining teachers
* Regional funds
* VAT, state aid and procurement

The Association of Colleges (AoC) had published a no deal readiness pack which was being considered by the College.

The Chair asked if there would be a three year budget plan for the IoT. The CFEO replied that this would be included in the three year forecast approved by Corporation and sent to the ESFA in July. A 5 year financial model had been submitted to the DfE.

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

1. **Capital Development Update**

The CFEO reported that a property strategy for the College had been created fifteen years ago and now the D Block development was completed, every part of the property strategy had been achieved. The CFEO commended the Contractors, ISG, for their delivery and performance during the project, adding that they had also engaged with the College by offering work placements for apprentices and signing up for ongoing master classes for IoT. The D Block project had been completed within budget and on time for occupation as from 28th October 2019. The portacabin village would be removed from the College next week.

In response to a query from the Vice Chair, the CFEO advised that the £4.3m specialist equipment kit had not been committed to until the Licence Agreement was signed. The DFE & GLA had agreed to fund all equipment and a full and final report would be presented at the next Corporation Meeting.

Carole Ditty stated that it was impressive that the project had managed to come in on time and budget.

The CFEO commend the Head of ILCT and Head of Estates and their teams for the work undertaken on the D Block Project. The Chair and Committee recorded their thanks to all involved.

**Agreed: That the current position be noted and the ILCT and Estates teams be commended for their work on the D Block project.**

1. **Outsourcing of Catering Services**

The CFEO reported that the College currently had in place a large refectory, coffee shop, restaurant and a café in the new building and was looking at minimising any loss making. Income had decreased and outlets were making a deficit. A decision had therefore been made to undertake outsourcing catering functions other than the restaurant. The College had engaged with Tenat education service through the Crescent Purchasing Consortium subsidiary, in keeping with OJEU rules, and had invited suppliers to tender.

The Committee were advised that there would be an impact on staffing but staff would be TUPEd over to the new suppliers. Most of the staff were part-time with shorter hours and there would be benefits for them to join a larger company. The only caveat was to ensure continuity of pensions but the majority of companies when spoken to had advised that pensions would be in place. Two formal consultation meetings had taken place and it was anticipated that new suppliers should be in place for half-term February 2020.

In response to a query from Carole Ditty, the CFEO confirmed that once applications to tender had been received, there would be an allocated day for these companies to visit the College. Cross College staff and students would be involved in assessing the suppliers.

The Vice-Chair questioned what could be done to improve the viability of the Chef’s Hat (restaurant) . The CFEO advised that discussions were ongoing with curriculum teams but a solution had not yet been confirmed. The Principal/CEO added that there had been a lack of understanding regarding the commercial aspect and the opportunity to work with the students within apprenticeships and work experience.

The Chair asked if the outsourcing arrangement was of any financial benefit to the College. The CFEO responded that use of the College facilities would be offered but the College anticipated a 10% incremental financial gain, dependant on the proposals received. The College currently outsourced cleaning and security services.

Carole Ditty cautioned that proposals would need to be scrutinised carefully as in some cases a guarantee of a certain amount of footfall was required and if that was not achieved unforeseen costs could be incurred.

Forhad Altafi questioned whether a representative member of staff was included in discussions. The CFEO advised that Tenet education services would run the tender but once the contract had been awarded, a college member of staff would be involved and progress would be monitored through KPI’s.

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

1. **Partnerships Progress Report**

The Principal/CEO reported that the final drawdown for EFA and SFA was £915,744 against a target of £923,317 which was 99.1% of target funding achieved. Last year’s partnerships had been closed off and the tender process was now complete (over 30 responses received which had to be reduced to 10). Four AEB contracts had been agreed with a drawdown of £685K and continuing supported internship was taking place with National Star. The College’s objective was to take more ownership of funding and only allocate to partners when there was a clear strategic benefit for London residents.

The Principal/CEO advised that the monitoring of partnerships was under scrutiny for sub-contracting and the College had to prove where the 20% fees were spent and publish where that 20% was going.

The CFEO stated that compared to lots of other London colleges, the subcontracting for BDC had been consciously reduced and was minimal. There were certain community groups that would not come to the college and subcontracting for these groups could be an advantage, however, other options were being explored.

Carole Ditty asked if there was a proven track record with the partners. The Principal/CEO replied that these were not new partners. The partners were managed through the undertaking of monitoring visits by the College’s Business Innovation and Enterprise (BIE) department to confirm quality of delivery, finance and to ensure that they were adhering to the contract.

The Chair questioned how destinations were monitored. The Principal/CEO stated that destinations had been built into the contract this year alongside progression. The aim was to secure an appropriate destination for the learners e.g. employment or for them to be referred to the College.

The Chair asked if a destinations and progression report would be available. The Principal/CEO responded that it was difficult to follow up with some of the learners due to changing addresses or contact details and there was a high volume for adults which made reporting impossible. Destinations/progression for the 16-18 cohort would be included in one of the sub balance scorecards.

It was noted that further detail needed to be considered within the Supply Chain fee Policy and this would be presented at the October Corporation Meeting for approval.

**Approved: That the Committee note the report and approve the 2019-20 contract allocation.**

**Action: Supply Chain Fees Policy to be presented at the October Corporation Meeting.**

1. **HR Update**

The Committee noted the contents of the report and the Vice-Chair stated that there were no issues within the current position.

The Principal/CEO stated that an update on the STAR subsidiary would be provided at the December Corporation Meeting.

The Chair asked that demographic of applicants and wellbeing (including mental health) be included in the next report at the Strategic Planning Event. This was agreed.

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

**Action: That demographic of applicants and wellbeing (including mental health) be included in the next report at the Strategic Planning Event**

1. **Health & Safety (H&S) Termly Report**

The DOFE reported that the Vice Chair (in his role as designated Governor for Health & Safety) had met with the Health & Safety Manager prior to the meeting.

The following key points were highlighted:

* Sustainability Committee meetings had been planned for the year
* Risk assessments had been undertaken in high risk areas and training for medium and high risk areas was being rolled out. All recommendations and actions had been followed through.
* 65 H&S incidents had been reported since March 2019
* Fire risk assessments had been undertaken across College alongside a review of fire extinguishers
* All H&S policies approved at the June Meeting of the Committee were up and running and had been shared with staff
* H&S Champions were to be introduced across College

The Vice-Chair referred to sustainability and whether the College should consider encouraging staff and students to use different modes of transportation and charging for car parking etc. The Principal/CEO advised that this needed to be linked to infrastructure traffic and the designation of the car park had been raised with the Council. The DOFE added that shredders were now in place across the College and all shredded paper was recycled. Student Governors and Student Representatives were involved in sustainability discussions and the College was taking steps to embed sustainability into the curriculum.

In response to a query from Carole Ditty regarding outstanding works from fire risk assessments, the DOFE advised that these were all ‘quick fixes’ and to ensure all actions had been followed up.

The Principal/CEO stated that the College needed to move towards a smart campus and consider more ways to save. The CFEO added that the carbon footprint in the building had been considerably reduced.

The Chair requested that three year trends were provided for some of the statistics to see if the measures put in place had any impact. It was agreed that these statistics would be included going forward.

The Chair thanked the Vice-Chair for his input as designated Health & Safety Governor.

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

**Action: Three year trends to be provided in the next Health & Safety Report.**

1. **GDPR Policies:**
* **Data Breach Notification Policy & Procedure**
* **Data Rights of Individuals Policy & Procedure**
* **Document Retention Policy**
* **GDPR Policy**

The Clerk reported that all the policies and procedures had been approved by the Committee last year but had been given a one year review date as these were new policies. The amendments to the policies were highlighted.

Carole Ditty stated that it was appropriate to include clarification on when requests were excessive and the guidelines for when requests for information could be refused.

The Chair thanked the Clerk for the comprehensive reports and all policies and procedures were approved.

**Approved: The Data Breach Notification Policy & Procedure, Data Rights of Individuals Plocy & Procedure, Document Retention Policy and GDPR Policy were approved for review in three years subject to amendments in legislation.**

**Any Other Business**

*This Agenda item was minuted confidentially under Instrument 17 (2) (d).*

**Date and time of next meeting – Monday 9 March 2020, 17.46pm.**

The Chair thanked all those in attendance for their contributions and reports. The meeting concluded at 17.46pm.

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

Evelyn Carpenter (Chair)

**POLICY & RESOURCES COMMITTEE**

**ACTIONS**

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| **Agenda Item** | **Action** | **Responsibility** | **By (deadline)** | **Update** |
|  |
| 7. | IoT Licence Agreement to be included within business cycle  | Clerk | ASAP | Complete |
| 10. | Additional sentence to be included within management accounts to clarify expenditure. | DOFE | ASAP | Complete |
| 14. | Supply Chain Fees Policy to be presented at the October Corporation Meeting. | Clerk | 28 October 2019 | Complete |
| 15. | Demographic of applicants and wellbeing (including mental health) be included in the next report at the Strategic Planning Event | EDPO | 25 November 2019 | Complete |
| 16. | Three year trends to be provided in the next Health & Safety Report. | DOFE | 9 December 2019 | Complete |