

## Meeting of the Finance & Resources Committee

**Venue:** Conference Room 1, South Shields

**Date:** Thursday 19 November 2015

**Time:** 4.00pm – 5.50pm

**Present:** David Byrne  
Malcolm Grady  
Mark Overton

**In Attendance:** Neil Longstaff (Clerk)  
Helen Beaton (Deputy Chief Executive)

ITEM	ISSUES	ACTION
1.	<p><b>Appointment of Chair</b></p> <p>In the absence of the Chair and Vice Chair the members present appointed David Byrne as Chair for the duration of the meeting.</p> <p style="text-align: center;"><b>David Byrne in the Chair</b></p> <p><b>Appointment of Vice-Chair</b></p> <p>The Clerk explained that Des Young was not in a position to continue to serve on committees of the Board. It was therefore reported that the position of Vice Chair would be required.</p> <p>Nominations were sought for the position of Vice-Chair.</p> <p><b>Resolved: That Mr M Overton is appointed as Vice-Chair of the Committee for a period of 2 years from the date of appointment.</b></p> <p>David Byrne continued in the Chair.</p>	
2.	<p><b>Apologies for Absence</b></p> <p>The Committee approved apologies for absence received from Lindsey Whiterod, George Clark and Andrew Watts after having considered the reasons for their absence. It was noted that comments had been received regarding the papers to feed into the meeting at the appropriate times.</p>	
3.	<p><b>Declarations of Interest</b></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
4.	<p><b>Minutes of the previous meeting</b></p> <p>The minutes of the meeting held on 30 September 2015 were approved and signed by the Chair.</p>	

	<p><b>Matters Arising</b></p> <p><u>4.1 Committee Workplan 2015-16</u>  The Clerk reported that he had met with the Chair of F&amp;R Committee and HB to discuss the workplan for the committee and determine whether the scheduled tasks could be covered more efficiently through 4 meetings per year instead of the 5 planned.</p> <p>Having examined the work to be undertaken, the timescales between meetings and deadlines to be met for the various external bodies, the conclusion reached was to reduce the number of meetings to 4 per year thereby removing the February and April meetings from the calendar and replace them with one in March.</p> <p>Governors recognised that the terms of reference could be met more efficiently and effectively through more evenly planned meetings during the academic year.</p> <p><b>Resolved: That the Board are recommended to replace the February and April meetings with one scheduled for March (9 March in 2016).</b></p> <p><u>4.2 HR Action Plan 2015/2016</u>  It was reported that the revised HR Action Plan 2015/2016 incorporating the actions requested by the committee was an item on the agenda.</p> <p>The staffing issues within SSMS were to be raised at the SSMS Quality Committee as requested.</p> <p>HB confirmed that the staffing within the Marine School had been included on the College Risk Register.</p> <p><u>4.3 Potential Financial Implications of Government Policy and Future Funding on the College</u>  HB explained that the breakdown of College funding (16-19, 19+ and apprenticeships) and financial ratings of other colleges was to be covered at a future meeting when more up to date data was available.</p> <p><u>4.4 Management Accounts and commentary</u>  It was confirmed that the Management Accounts were presented and approved by the Board.</p> <p>HB also reported that a paper on the Career College North East had been presented to the Board and the CCNE was now shown as a school within the College accounts.</p> <p><u>4.5 Energy Costs</u>  HB informed the committee that £20k had been saved on energy consumption already.</p>	<p>NL</p> <p>HB</p>
<p>5.</p>	<p><u>HR Action Plan 2015/2016</u></p> <p>This paper was intended to update the Committee on the HR Action Plan.</p> <p>It was reported that:</p> <ul style="list-style-type: none"> <li>The HR Action Plan had been reviewed following previous Committee comments and included impacts, Career College North East and Succession</li> </ul>	

	<p>Planning, as requested.</p> <ul style="list-style-type: none"> <li>• The Senior Postholders Disciplinary procedure had been reviewed in light of updated practice and learning from previous cases. It mirrored the procedure for all other staff.</li> <li>• New paragraphs/sentences had been highlighted, all of the job titles had been updated and the appeals section had been combined into one for suspension and one for all other appeals.</li> </ul> <p>HB responded to questions which included the following:</p> <p>Q. Ref 1 - Area Reviews and Efficiency of Delivery – SG had considered all relevant data to determine what reports were needed in readiness for an Area Review.</p> <p>Q. Ref 8 – the reduction in staff sickness absence rates for 2014/15 – this was now at 3.1 % from 4% which was seen as a healthy reduction.</p> <p>Q. Better Health at Work Gold Award – the College had been assessed as outstanding but was yet to receive formal notification.</p> <p>Q. Ref 9 - Implement new Terms and Conditions of service to all staff? New contracts were to be issued on 1 January 2016.</p> <p>Q. With regard to CCNE which policies were followed? Dependent upon which student it was.</p> <p>Q. Monitoring? The monitoring process was explained. It was recommended that the formal approval process be clearly identified within the plan e.g. SEG/Committee/ Board.</p> <p>Q. Impact – it was suggested that the report be RAG rated to show whether the action was on target.</p> <p><b>Resolved: That the revised HR action Plan is approved subject to the changes recommended above.</b></p>	<b>CD</b>
<p><b>6.</b></p>	<p><u>Safeguarding Policy</u></p> <p>This paper was intended to update the Committee on the College's Safeguarding Policy.</p> <p>The amendments included:</p> <ul style="list-style-type: none"> <li>• Legislative changes and statutory guidance in particular in relation to PREVENT.</li> <li>• New sections were highlighted for ease of reference.</li> </ul> <p>It was highlighted that the partner agencies identified within the policy were to be revised to ensure consistency across the policy document.</p> <p>Governors also highlighted the following amendment:</p> <ul style="list-style-type: none"> <li>• 1.2 - Department for Education and Skills to be changed to Department for Business, Innovation and Skills</li> </ul>	

	<p>Q. Safeguarding Contacts trained? Yes and safeguarding leads had been given additional training. Contact details were on posters throughout the College. It was suggested that an additional bullet point be inserted under 3.5 to state that a current list of trained staff was available from HR.</p> <p>Q. Sub contractor part of contract? Yes. Therefore it was suggested that under 3.6 it should read 'Subcontracted partners are contracted to follow South Tyneside College (STC) Safeguarding Policy' not 'expected to follow'.</p> <p><b>Resolved: That the Safeguarding Policy is recommended to the Board for approval subject to the changes identified above.</b></p>	<b>CD</b>
<b>7.</b>	<p><b>Annual Report and Financial Statements for the Year Ended 31 July 2015</b></p> <p>Confidential item.</p>	
<b>8.</b>	<p><b>Reconciliation between Management Accounts and Statutory Accounts Year Ended 31 July 2015</b></p> <p>The purpose of the report was to provide governors with information on the adjustments made between the preparation of the July Management Accounts and the Statutory Accounts.</p> <p>The paper showed the year-end figures in the management accounts format used during 2014/15.</p> <p>This report highlighted that the year-end surplus had reduced from £4,550k as per the management accounts to £4,452k in the statutory accounts, a decrease of £98k. The report also detailed the changes which had occurred since the production of the year end management accounts.</p> <p><b>Resolved: That the members of the committee accept the report.</b></p>	
<b>9.</b>	<p><b>Management Accounts to 30 October 2015</b></p> <p>As at the end of October 2015, the College had made a £590k operating deficit, which was £94k above target but £311k below the 2014-15 position.</p> <p>Total income was £698k below budget due to low Adult Learner Responsive, 16-18 Apprentices, Adult Apprentices and other tuition income. These were expected partially due to timing differences due to courses commencing in mid-September; however income projections for other tuition income had been reduced within the year end forecast. There were some full cost income areas that were currently doing well but it was too soon to determine if income would be higher than forecast in these areas by the end of the year. Partnership delivery was expected to deliver the full apprentices allocation.</p> <p>Payroll costs were £278K below target and £131k below 2014-15 costs. This was primarily due to low lecturer and classroom support costs during the early months of the academic year.</p> <p>Non-pay expenditure was £514k below target and £44k below 2013-14. This was largely timing differences due to low partnership costs, however high marketing costs</p>	

	<p>had been incurred for the summer promotional campaign.</p> <p>A further review of pay and non-pay costs was to be undertaken to see where further savings could be made based on where learners were enrolled.</p> <p>The College's financial health was rated as "Satisfactory", however this was anticipated to be a short term deterioration due to the low income at the start of the academic year.</p> <p>HB responded to questions from governors, which covered the following:</p> <ul style="list-style-type: none"> <li>• Any concerns over the figures/information provided? Known losses. No immediate concern. Marine market not yet picked up and engineering numbers down. Reduced figures was split 50/50 between marine and non-marine. HB had drawn forward losses now but had been cautious in not including any anticipated income.</li> <li>• General engineering – working hard with partners to improve reputation.</li> <li>• There was often a slow start to the year in certain areas</li> <li>• Implications if continued? Financial position would be rated Good instead of Outstanding, but this had already been identified. Areas of growth needed to be explored or costs reduced. A benchmarking exercise was to be undertaken to compare costs with other similar colleges.</li> <li>• Contributions from each school were highlighted.</li> <li>• Issues with sub-contractor work owing to staff absence.</li> </ul> <p>Governors recognised the need to carefully monitor the actions/issues raised.</p> <p><b>Resolved:</b></p> <p><b>i. That the report is accepted and is to be presented to the Board for approval.</b></p> <p><b>ii. That HB identifies any growth areas as part of the Business Plan (e.g. fully paid marine work).</b></p>	<b>HB</b>
<p><b>10.</b></p>	<p><b>Learner Recruitment and Funding Update 2015-16</b></p> <p>This report was to update the committee on the current position of learner numbers for 2015/16.</p> <p>It was reported that:</p> <ul style="list-style-type: none"> <li>• 16-18 learners, current estimate was approx. 1377 learners, including those planned later in the year against a total allocation of 1496. Potential shortfall and expected reduction in income.</li> <li>• 19+ - latest estimate showed £97k above allocation but staff were confident that this would be delivered.</li> <li>• Adult apprenticeships – current estimate being £705k under allocation but College was confident it could contract this during the remainder of the year.</li> <li>• 16-18 apprentices – currently £300k below allocation but anticipated that the College would increase learner numbers as the year progressed.</li> </ul> <p>Q. Staff absence a risk? Arrangements had been made to cover the necessary work including quality assurance, which were outlined by HB.</p> <p><b>Resolved: That the report is received.</b></p>	
<p><b>11.</b></p>	<p><b>Approval of Student Union Accounts 2014-15</b></p>	

	<p>HB presented this report which gave details of the Student Union accounts results for 2014/15 and an overview of activity in the year.</p> <p>It was noted that net expenditure was £13,839 which was within the budget of £20,000.</p> <p>Q. Sum carried forward? No, it was clawed back if not used.</p> <p><b>Resolved: That the Committee agree to receive the report and that it be presented to the Board for information.</b></p>	<b>NL</b>
<b>12.</b>	<p><b>Annual Report on Governor Expenses</b></p> <p>This paper provided the Committee with an update on the level of expenses claimed by governors during 2014/15.</p> <p>The total amount claimed was £353.96.</p> <p><b>Resolved: That the committee agrees to receive the report.</b></p>	
<b>13.</b>	<p><b>Approval of Contracts and Planned Expenditure in Excess of £100K</b></p> <p>This paper advised the Committee of contractual and non-contractual expenditure which required governor approval in accordance with the College's Financial Regulations.</p> <p>HB presented a paper detailing expenditure to date on the 2015-16 contracts approved at previous meetings.</p> <p>Q. Why spent so little to date? HB explained there were various reasons which included time of year, timing issues of when learners started; however there was no cause for concern.</p> <p><b>Resolved: That the Committee agree to receive the update noting that there are no new contracts since the last report.</b></p>	
<b>14.</b>	<p><b>Review of College Company 2014-15</b></p> <p>The purpose of the report was to provide members with a review of the College Company. The following issues were noted:</p> <ul style="list-style-type: none"> <li>• The company had been set up as a VAT vehicle</li> <li>• The VAT benefit ended during 2012/13</li> <li>• The company has not traded during 2014/15.</li> <li>• Last year governors confirmed that they wished to keep the company for the time being.</li> </ul> <p>Governors' views were sought as to whether the company should remain dormant or wound up by the College. It was stated that there would be no reputational risk if the company was maintained.</p> <p><b>Resolved: That the committee agree to retain the company and that this be</b></p>	

	<b>made known at the next AGM but that this be reviewed in 12 months' time.</b>	
<b>15. Health and Safety Policy – update</b>	<p>This paper provided the Committee with an update on suggested amendments to the College Health and Safety Policy.</p> <p>Relevant extracts of the health and safety policy with the amendments shown were provided.</p> <p>Q. Did Ofsted examine the policy? Yes and a sample of risk assessments. Inspectors' also asked specific questions to staff and governors on safeguarding, Prevent etc.</p> <p>Governors acknowledged the outstanding report achieved on the Halls.</p> <p><b>Resolved: That the committee agree to recommend these amendments for approval by the Board.</b></p>	<b>HB</b>
<b>16. Estates Update</b>	Confidential item.	
<b>17. Any other business</b>	<p><u>Report from Audit Committee: Internal Audit - Financial forecasting and budgetary control</u></p> <p>The members of the committee were informed that above mentioned report was being presented on the recommendation of Audit Committee for information.</p> <p>The Clerk indicated that the Audit Committee were of the view that it was important that there was a link between audit and other committees of the Board and that members were aware of the recommendations by auditors and the proposed action to address them.</p> <p>Governors were of the view that this was a good report.</p> <p><b>Resolved: That governors accept the report.</b></p>	
<b>18. Date of next meeting</b>	The next meeting of the Committee was scheduled for Wednesday 9 March 2016 at 4.00pm but this was subject to Board approval.	
<b>19. Identification of Confidential Items</b>	<p><b>Resolved: That the confidential issues under Matters Arising and Item 16 Estates report are to remain confidential items.</b></p> <p><b>Item 7 is to remain confidential until the approval of the accounts.</b></p>	

**Signed:** ..... **Date:** .....