



MINUTES

**of the meeting of the Finance and Employment Committee
held on Wednesday 20 June 2018**

Present: - Mr James Caird (Chair)
Mr Richard Garnett
Dr Alan Lavers
Mrs Elizabeth Patrick
Mr Ian Peake (Principal)

In Attendance: - Mrs Jo Ricketts (Deputy Principal)
Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as five Members were present.

	Action
1. Apologies for Absence No apologies	
2. Declaration of Interests No interests declared.	
3. I. Minutes of the Last Meeting The Chair signed the minutes of the meeting held on 21 March 2018 as a true and accurate record.	
II. Matters Arising from the Minutes	
A. Safeguarding insurance implications for staff who use their own cars to give students a lift would be carried forward.	
B. The tuition and fees policy had been approved by the Board.	D Baldwin
4. Employment Reports The Director of Personnel presented the following reports: -	
I. Health and Safety Report	
A. The new Health and Safety Advisor commenced employment in May on a 0.6fte contract. A Governor asked if this was sufficient time to do the job which would continue to be monitored.	
B. There had been one RIDDOR reported accident in the period from September 2017 to April 2018 which was reported at the previous meeting. Accidents by month	

were noted and Governors were encouraged by the positive trend. Student numbers would be added to the report which had mistakenly been removed.

There was a question if measures would be put in place in an attempt to reduce accidents in faculties with higher levels of accidents; this was confirmed.

- C. Updates were provided on recent accidents with details of progress of insurance claims.
- D. The number of staff on the first aid rota had been low in Hereford with additional staff agreeing to become first aiders.
- E. An HSE inspection on Wilsley House had identified that a gate near the dovecot was open. The College had been contacted and this was rectified.
- F. There was a question as to whether any potential health and safety issues had been identified in view of the merger, particularly regarding residential student accommodation. No issues had been identified noting that Ofsted inspect student accommodation.

II. Staff Report

- A. The range of staff development planned for the end of term was outlined.
- B. 2018/19 College closure days required one additional day's holiday for staff based on the timing of Christmas. This day would be given to all staff as an additional holiday.
- C. The College had not renewed its contract with FE Jobs and College Jobs to advertise vacancies which had made a financial saving. Alternative free job sites together with the College's own website, are being used which remain effective.
- D. Government childcare voucher scheme changes effective from October 2018 were reported.

The Committee agreed: -

- To note the reports

5. Finance Reports

I. Draft College Budget 2018/19 and Financial Forecast

The budget setting process commenced in May 2018 using the curriculum resource model (CRM) for all courses in each faculty with further discussion and review by the CMT. This included assumed student enrolments, group sizes, guided learning hours and staffing for each course and course contributions.

The draft budget is for HLC as a standalone college and does not include the merged budget with NSC which has been incorporated into the CFADS model which had been provided for the TU.

Specific assumptions were outlined: -

- A. The 16-19 year old allocation based on lagged funding (enrolments and retention from the previous year). It

includes programme weighting for higher costs of some provision, disadvantage funding and costs for large programmes. The additional allocation of £546,000 was included in the budget.

- B. £191,000 additional funding was budgeted from the bid for T-Levels.
- C. The new apprenticeships funding system including the apprenticeship levy introduced in May 2017 had been assumed at the same combination level.
- D. Restructuring costs are assumed to be at a marginally lower level than the previous year at c£75,000.
- E. Deferred capital grant and depreciation are both expected to decrease next year with a budgeted net gain of £71,000.
- F. Pay costs are based on individual by individual review of all substantive posts and assuming 1% pay increase.
- G. A prudent allocation of £600,000 for sub contracting the AEB is assumed.

Questions were invited and duly answered.

There was a question about costs and activities to increase student numbers; some activities were outlined such as publishing prospectuses, attendance at open days, social media and the website. The College had increased its market share evidenced by 16-18 applications in 2018/19 with a higher level of applications from feeder schools. National Collaborative Outreach Provision NCOP funding has been used to highlight pathways into FE.

Promotion of apprenticeships was raised noting that assessors are paid within the substantive payroll whose job descriptions also include to actively promote apprenticeships.

A Governor expressed concern about disposal of assets, particularly land, at Holme Lacy Campus as a short term fix to generate income. Reassurance was provided that the sale of assets at Pound Farm, which had previously been agreed, was unused farm buildings with reinvestment of proceeds planned for new capital development at Holme Lacy Campus.

A Governor suggested developing a programme to engage with the land-based sector to ensure delivery of services to support the sector. NCOP funding could be directed to focus on land-based areas.

II. **Management Accounts to 31 May 2018**

- A. Overall there was an operating surplus of £585,000 which is £678,000 better than the budgeted year to date deficit of £93,000 for the first ten months of the year.
- B. AEB income earned in house is estimated (based upon the funding income return R10) to be higher than budget meaning a reduction in the level of sub-contracting needed with a £150k reduction in costs. Apprenticeship

income was marginally lower due to fewer starters but compensated by the new apprenticeship standards had compensated for the shortfall in income. Net merger expenditure and delayed sale of assets (Pound Farm) have been included.

- C. Reasons for the variance in examinations was requested which increase each year and are subject to modules and changes to the structure of qualifications. External assessments incur resit fees.
- D. Financial KPIs were positive with the exception of County Training which was underperforming by 14%. This was due to fewer apprenticeships and the take up of distance learning. The financial objectives had exceeded target.
- E. The College has a strong cash balance of £3.447M. There was a question about the bid to the TU for NSC merger noting that this was a realistic bid which was being challenged by the TU.

II. Capital Projects Update

The College does not currently have any major capital projects. The bid to the TU would include substantial upgrades to IT equipment across HLC and NSC.

Potential capital projects include extending commercial gas courses delivered at Hereford Campus. Holme Lacy Campus redevelopment is planned for 2020/21 when grant funding is available.

The Committee agreed: -

- To recommend that the Board approve the College Budget 2018/19 and Financial Forecast
- To recommend that the Board approve up to £600,000 sub contracting income
- To note the management accounts to 31 May 2018
- To note capital projects update

6. Annual item for Committee

The Committee agreed: -

- To appoint James Caird as Chair of the Committee for 2018/19
- The Committee self assessed its performance and agreed that it was effective and adequately met the requirements of its terms of reference
- The Clerk would review the terms of reference.

7. Any other Business and Comments

The Chair thanked Dr Lavers, Liz Patrick and Richard Garnett for their long service, particularly Dr Lavers who had effectively chaired the committee for several years.

8. Date and time of next meeting

The next meeting was arranged for Wednesday 28 November 2018 commencing at 12.30 pm.

Signed as a true record of proceedings

Chair: **Date:**.....