



MINUTES

**of the meeting of the Finance and Employment Committee
held on Wednesday 22 June 2016**

Present: - Dr Alan Lavers (Chair)
Mr James Caird
Mr Tony Ford
Mr Richard Garnett
Mr Ian Peake (Principal)

In Attendance: - Mr David Williams (Deputy Principal)
Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Linda Watkins (Clerk to the Corporation)
Mrs Gill Cooper (Health and Safety Advisor) Item 4.I

The meeting was quorate as five Members were present.

- | | Action |
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| 1. Apologies for Absence | |
| 2. Declaration of Interests
Item 6: Dr Lavers - appointment of Chair. | |
| 3. I. Minutes of the Last Meeting
The Chair signed the minutes of the meeting held on 9 March 2016 as a true and accurate record. | |
| II. Matters Arising from the Minutes
No matters arising. | |
| 4. Employment Reports | |
| I. Health and Safety Report. The Health and Safety Advisor joined the meeting and presented the report. | |
| A. The chart summing up accidents by each year showed a decline in accidents this year. These had decreased following the introduction of a minor injuries report to address very minor incidents and those which had happened before attending College. Student numbers had increased whereas incidents had decreased which was applauded. Lacerations and burns remained the highest category. Action had been taken in an attempt to reduce these in plumbing and welding workshops with special gloves introduced. | |
| B. There were more incidents during longer teaching months and in January and February. Incidents are | |

benchmarked against other colleges which had shown comparable patterns.

- C. A Member asked about progress of risk assessments on Moodle. Progress was better in some areas. It was time consuming for staff to complete these on Moodle, but would provide a record of risk assessments and the ability to adapt existing forms in the future which would reduce work.
- D. There was a further question about progress of systems to support lone workers. An app was being installed on new phones which would be managed by a centre. This would include alerts if the phone stops moving for a long period. Information about this system was given to Members.
- E. Health and safety training for Governors and senior managers was proposed. This would include corporate manslaughter and sentencing. This would be arranged for a Governors' Workshop next year.

L Watkins/
D Baldwin

II. **Staff Report.** This was presented by the Director of Personnel.

- A. The staff development day programme arranged for July was noted.
- B. The staff budget for 2016/17 was being prepared which had been incorporated in the College budget. County Training pay budget would be maintained separately to track costs this year.
- C. The merger with County Training was completed on 1 May 2016 with 134 staff transferred to the College's employment under TUPE regulations. All staff had been paid on time to the credit of the Personnel and Payroll Supervisor and Personnel and Staff Development Coordinator within the Personnel Department. Individual staff files would be checked to ensure all employment checks have been completed and are up to date.
- D. The Trade Union UCU local Branch Meeting was held at the College in May. UNISON representatives from the local and regional branch were available in College for staff.

The Committee agreed: -

- To thank the Health and Safety Advisor for presenting the health and safety report
- To note the staff report presented by the Director of Personnel.
- To acknowledge immense work by the Personnel and Payroll Supervisor and Personnel and Staff Development Coordinator

5. **Finance Reports**

The Director of Finance apologised for the condensed budget format. This would be translated into the SFA format in time for the Board to approve at the July Board meeting.

- I. College Budget 2016/17 and Financial Forecast: The

Curriculum Resource Model (CRM) had been used to set the budget using key assumptions for each course. These include funding, projected student numbers, staffing, fees and income. This would also be used to assess if two groups should be provided for some courses.

The budget showed income, expenditure and projected year end position along with positive and negative variances compared with previous year. A small operating surplus of £123,000 would be generated.

Liquidity remained good with a strong balance sheet and not requirement for an overdraft. The Director of Finance advised on the importance of building up the cash reserves which could be available for capital investment and used as a cushion if required in the future.

Members agreed that this format was clear to understand for presentation of the budget.

The following questions and discussion followed: -

- A. Was income from Worcester University included in HEFCE income; this was included within contract income.
- B. Was the CRM used for HE programmes as well as FE; this was used for all programmes.
- C. Did the budget include County Training income; this was included along with all staff changes outlined in the confidential staff report.
- D. It was clarified that the LGPS (pension scheme) was anticipated to remain in deficit based on the valuation by actuaries.

Members were asked to consider allocating a maximum of £650,000 sub contracting provision to enable the College to fully utilise the adult education budget from SFA. This would maintain the budget and permit growth in the future.

- II. Checklist for the Financial Plan Commentary: The Director of Finance would complete this for the Board meeting. It was recommended by SFA as best practice to be used as an internal check.
- III. Management Accounts to 31 May 2016
 - A. There was an operating deficit of £100,180 at the end of the first seven months compared to a budgeted deficit of £33,609. This was driven by substantial level of sub contracting during the year.
 - B. There would be an operating surplus including the sale of land at Holme Lacy. In the event that this was not sold this year, this would be shown as a note in the financial statements.
 - C. The balance sheet remains strong and positive.

- D. Non-pay expenditure in teaching support was over budget with reasons requested. This had been under budgeted for, particularly for IT costs. The Director of Finance confirmed that he had looked in detail in major cost areas. IT costs were anticipated as one off payments this year.
- E. The bank balance, including KSP Limited, was £2.2M.
- IV. Capital projects verbal update: The Director of Finance outlined progress of the following bids submitted to the Marches LEP.
- A. £592,000 had been approved and allocated to workshop equipment, including a lathe, CNC milling machine and a tractor at Holme Lacy Campus. The College will receive a 33% grant payment once work is completed.
- B. Funding of £147,000 had been approved in principle for robotic trainers in the Faculty of Technology. This was 2:1 matched funding with the College contributing £48,000. A further bid had subsequently been submitted for an additional £110,000 to provide funding for IT as part of the robotics bid. If successful, this would be 2:1 matched funding with the College contributing £38,000. Confirmation of this bid was awaited.
- C. Notification had been received of further LEP funding inviting expressions of interest as part of a multiple bid. A bid had been prepared to develop Holme Lacy Campus further with the conversion of the equine area into business incubator units for students and apprentices. A new equine centre would need to be built near to the Riding for the Disabled unit. If successful, this would involve working with other organisations. The total bid was £1.5M which would require a contribution from the College of £500,000. Members agreed this would be positive and establish a business presence at the campus. There was further discussion about potential analytical development laboratories for businesses noting that this might be more suited to the Enterprise Centre as there would be limited space which would be available on short term agreements for new business start-ups. A Member would arrange a meeting with a vet who was exploring setting up a large animal centre.

R Garnett

The Committee agreed:

- To recommend the Board approve the College Budget and Financial Forecast 2016/17
- To recommend the Board approve sub contracting up to £650,000 with robust checks
- The Director of Finance would complete the checklist for the Financial Plan Commentary to be presented at the Board meeting. This was for the College's own use.
- To note management accounts to 31 May 2016

- To note the update on capital projects
- It was timely to amend the format of financial reports

6. Annual Items for Committee

- I. Election of Chair 2016/17: The Committee agreed to re-appoint Dr Lavers as Chair.
- II. Committee's self assessment: Members assessed the Committee's performance against its terms of reference. The Clerk had compiled evidence of effectiveness. This would be used to prepare the Governors' component of the College's self assessment report. Reference to County Training would be included as evidence in item 3.
- III. Terms of reference: reviewed.

L Watkins

The Committee agreed: -

- To re-appoint Dr Lavers as Chair of the Committee for 2016/17
- The Committee was effective and adequately met the requirements of its terms of reference
- No amendments were required to the terms of reference

7. Any other Business

- I. Bomford Trust had awarded a bursary to a member of staff for a research project. It was suggested that alternative funding options be pursued and a meeting would be arranged with some managers.
- II. Year-end accounts for Pound Farm would be presented to the Committee annually.
- III. Trustees of Ludlow Foundation would not award scholarships to students this year seeking different options to invest in the College. The Assistant Principal at Ludlow College would work with trustees to suggest alternative mechanisms to provide support to students and Ludlow College. It was confirmed that leases were at the final stage of review with the Foundation's Solicitor before being signed. This was extremely encouraging.

R Garnett

L Watkins/
E Gwillim

8. Date and time of next meeting

The next meeting was arranged for Wednesday 7 December 2016 commencing at 2.00 pm.

Signed as a true record of proceedings

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