



**MINUTES**

**of the meeting of the Finance and Employment Committee  
held on Wednesday 7 December 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)

The meeting was quorate as five Members were present.

- |  | <b>Action</b> |
|--|---------------|
| <p>1. <b>Apologies for Absence</b><br/>No apologies.</p>   |               |
| <p>2. <b>Declaration of Interests</b><br/>No interests declared.</p>   |               |
| <p>3. <b>I. Minutes of the Last Meeting</b><br/>The Chair signed the minutes of the meeting held on 22 June 2016 as a true and accurate record.</p> <p><b>II. Matters Arising from the Minutes</b></p> <p>A. Richard Garnett updated Members that he had discussions with the Vet regarding their interest in a large animal centre but there was no further progress to date.</p> <p>B. Ludlow College leases were likely to be in the region of c£40,000 pa. It was anticipated that the trustees of Ludlow Foundation would invest rental income in Ludlow College to benefit learners.</p> |               |
| <p>4. <b>Annual Employment Reports 2014/15</b><br/>The Director of Personnel presented the following reports: -</p> <p><b>I. Health and Safety Report</b></p> <p>A. Members were pleased to note there was only one RIDDOR incident during the year. There were a total of 105 recorded accidents, showing a reduction compared with the last two years. Members were reminded that the College had introduced a 'minor incidents form' last year to report very minor incidents, such as small cuts and scratches. A breakdown showing accidents by category, faculty, area and</p>           |               |

population was presented. Overall the year chart showed an improvement with a reduction in accidents. Peaks and troughs remained at key points in the year in specific areas; the Health and Safety Advisor is continuing to work with staff in an attempt to reduce these. In addition, she is working closely with County Training; this area would be reported separately this year.

- B. There had been substantial fire training including evacuation procedures and Personal Emergency Evacuation Plans (PEEPs). A Member enquired how many students have PEEPS noting there are three with evacuation arrangements in place.
- C. Lone working arrangements have been extended to include assessors at County Training. Details of the system were requested noting that assessors are required to telephone the College after each visit and use electronic diaries to record their movements. Arrangements are tailored to individual staff needs, such as a personal alarm which had been issued to a member of staff previously.
- D. All health and safety policies and procedures, and the Red File are available for staff to access on Moodle.
- E. AoC had collated an analysis of accident comparisons with some West Midlands colleges during the year. Colleges with similar staff and student numbers needed to be considered to give meaningful comparisons.
- F. The health and safety audit plan for 2016/17 was included in the report. A Member asked if the ventilation issue in the Welding workshop at Holme Lacy Campus had been resolved; this was confirmed.

## II. Staff Report

- A. The College employed 516 staff as at 31 July 2016, equating to 273 FTEs. This had increased by 50 people from the previous year. Some of this increase was due to the merger with County Training.
- B. Information was presented on staff turnover, groups and profiles included breakdowns by age range, gender, ethnicity, length of service and staff with disabilities. The age profile had increased in bands 41-50 and 51-60 this year as some people had moved to the next category.
- C. Ethnicity was reflective of the two counties. Further comparisons with the student population would be undertaken in due course. The College had not appointed any non-white British applicants following advertisement for jobs. The Director of Personnel informed Members that she was preparing a breakdown of reasons and patterns which would be reported to the Committee.
- D. The absence rate had decreased to 3.51% compared to 3.72%. This was within the sector rate of 3.67% reported by AoC.
- E. A Member asked about the proportion of staff who

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were hourly paid and arrangements for their employment. C20% of lecturers are hourly paid who bring additional experience to teaching, often from their work place practice, which enhance learners' experience. The Director of Personnel confirmed that all staff have a contract of employment whether it be a substantive or hourly paid one. Hourly paid staff have a work schedule in place confirming their work patterns and hours. The College has a robust framework of employment procedures to protect all employees.

### **III. Staff Development Report**

- A. Allocation of £38,000 staff development budget was noted which provided training for 3,228 individuals delivering 9,360 hours. The budget had decreased from last year. This was managed carefully to ensure appropriate training and value for money.
- B. Training and development had been focused on meeting both individual and generic training needs. A Member asked if staff are directed to specific training; managers liaise with their teams to identify needs and recommend appropriate training. A question followed about the Prevent Duty noting that this had been embedded. Training would remain ongoing throughout the College. The number of staff undertaking teacher training was requested; there are normally a few new staff each year as a general pattern.

#### The Committee agreed: -

- To note the positive annual reports for health and safety, staff and staff development presented by the Director of Personnel.

## **5. Members' report and financial statements for the year ended 31 July 2016**

### **I. Herefordshire and Ludlow College**

The Director of Finance presented the report which was in draft reiterating that the numerical data would not change. This year the format had changed to reflect FRS102. A summary of key points for the Committee were outlined with questions answered: -

- A. A Member queried the purpose of the system of internal control in the statement of corporate governance which did not appear to cover all systems used by the College. This was a standard format with wording based on the Casterbridge Model which was prepared for the sector.
- B. The reason for restating the balance at 1 August 2014 in the consolidated and College statements of changes in reserves was questioned. This was a requirement introduced in FRS102 to show the revised opening figures for the 2015 comparative year.
- C. The consolidated and College statements of comprehensive income showed a deficit of £3.3M. If the following were not reported, it showed a year end surplus of £19,000: -

	£000
Total comprehensive expenditure	(3,370)
Actuarial loss	2,938
Pension finance	269
Sale of land	(450)
Restructuring costs	136
KSP Ltd goodwill	251
LGPS historic deficit payments	245
Deficit (including actuary loss on pension)	(181)
D. Balance Sheet highlights: -	
Total assets less current liabilities	34M
Pension deficit	11M
Total net reserves	200,000
Detailed discussion followed on the pension deficit and its implications for the College.	
E. Notes 11 and 12 referred to the goodwill charge for Keith St Peters Ltd which was a zero value this year. KSP Ltd was being wound up as agreed by the Corporation at the Board meeting held on 18 October 2016. The investment held by the College had been written down to zero.	
F. Note 26 referred to the transition to FRS 102 and the negative effect on reserves of £23.6M. The deferred capital grant had moved to a creditor.	
G. The Audit Committee had received the management letter for HLC and recommended it to the Board for approval.	

## II. Keith St Peters Ltd

KSP Ltd made a deficit of £18,020. The company was being wound up. This also coincided with the date the lease would expire.

### The Committee agreed: -

- To recommend the Board instruct the Principal and Chair to sign the Members' Report and Financial Statements to 31 July 2016

## 6. Finance Reports

### I. Management Accounts to 31 October 2016

- Overall there was an operating surplus of £165,000 and a favourable variance of £402,000 in the first three months of the year.
- The RO4 ILR return will be completed during December which will provide an accurate assessment of EFA and SFA income. This had been estimated based on overall student numbers and apprenticeship starts to date.
- Although income is below budget year to date, this adverse variance is more than offset by year to date favourable variances in both pay and non-pay costs
- Performance against the KPIs remained strong with the majority of indicators exceeded.
- Cash flow had assumed income from the sale of Wilsley House. The negative movement in expenditure would be carefully monitored by the Director of Finance who was not anticipating the requirement of the overdraft facility from the bank.
- Contributions from faculties are running to budget.

G. The forecast out turn for the year is an operating surplus of £124,000 and an historic surplus of £4,000 which is in line with the budget for the year.

## **II. Pound Farm Accounts to 31 July 2016**

A breakdown of income and expenditure was presented showing an operating surplus of £76,277. Members were reminded that the College did not make a charge to Pound Farm for land or depreciation. The College had purchased a tractor last year which was used by Pound Farm as well as the Faculty of Land-based Studies.

A Member asked for clarification of expenditure for agency services; this was a consultant woodland manager and overtime by the farm assistant. It was suggested that if overtime is a regular requirement it should be budgeted.

## **III. Capital Projects Update**

There are two ongoing projects which had secured funding from the LEP. An additional project submission had been made which had not been confirmed with further discussion underway.

- A. LEP 1: £592,000 for workshop equipment at Holme Lacy Campus. This had been ordered with £390,000 invoiced to date.
- B. LEP 2: £257,000 for robotic equipment in the Faculty of Technology and related IT infrastructure.
- C. LEP 3: Bid submitted for £1.5M to develop Holme Lacy Campus including a business incubator unit. There was further discussion with LEP on the bid which had not been approved to date and might require an increased contribution from the College.

There had been flood damage in the music technology room resulting in the insurance assessor writing off a mixing desk. This equipment would be replaced, the claim totalling £92,000.

A panel van used by the estates team would be replaced costing c£15,000.

## **IV. Treasury Management Annual Report 2015/16**

This advised Members on activities for the year ended 31 July 2016. The report was based on the Code of Practice issued by the Chartered Institute of Public Finance and Accountancy for Treasury Management in Public Services. It covered treasury management activity during the year, investment arrangements and interest earned.

## **V. Financial Regulations**

Members were asked to approve continuation of the current financial regulations. The Director of Finance intended to review these later in the year.

## **VI. Skills Funding Agency correspondence: College Plan**

**2016/18**

Members noted correspondence which confirmed that the Skills Funding Agency concurred with the College's self assessed grades for financial health.

The College's dashboard would be presented to the Board for information. The College was in a strong financial position resulting from prudent management of reserves which had ensured that the College maintained a good rating.

The Committee agreed:

- To note the management accounts to 31 October 2016
- To note Pound Farm accounts showing a year-end operating surplus
- To note the update on capital projects
- No amendments were required to the Financial Regulations
- To note the Treasury Management Annual Report 2015/16
- To note Skills Funding Agency correspondence on the College plan 2016/18

**7. Any other Business**  
No items.

**8. Date and time of next meeting**  
The next meeting was arranged for Wednesday 22 March 2017 commencing at 12.30 pm.

**Signed as a true record of proceedings**

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