



**MINUTES**  
**of the meeting of the Finance and Employment Committee**  
**held on Wednesday 21 June 2017**

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

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

The meeting was quorate as five Members were present.

- |  | <b>Action</b> |
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| <p>1. <b>Apologies for Absence</b><br/>No apologies</p>  |               |
| <p>2. <b>Declaration of Interests</b><br/>Tony Ford: Trustee of Herefordshire Vision Links.</p>  |               |
| <p>3. <b>I. Minutes of the Last Meeting</b><br/>The Chair signed the minutes of the meeting held on 22 March 2017 as a true and accurate record.</p> <p><b>II. Matters Arising from the Minutes</b><br/>No matters arising.</p>  |               |
| <p>4. <b>Employment Reports</b><br/>The Director of Personnel presented the following reports: -</p> <p><b>I. Health and Safety Report</b></p> <p>A. There had been 109 accidents to date with no RIDDOR accidents during the period.</p> <p>B. Breakdowns of accidents by faculty and categories were noted showing a peak in accidents during November. There were more teaching weeks in this month compared to October and December taking account of holidays. Various options to report this aspect in more accurately were discussed concluding that the graph used provided overall trends and no changes were required. The Health and Safety Advisor works with Assistant Principals to review and reduce accidents in faculties and to identify any</p> |               |

- mitigating actions.
- C. There had been a reduction in first aiders to cover the rota at Hereford Campus due to some staff leaving the College. Additional staff are being trained as first aiders to cover the rota.
  - D. Senior managers have commenced annual health and safety walks across all sites. Action plans will be prepared for relevant managers to address; these will be monitored by CMT and the Health and Safety Committee.
  - E. A student received an electric shock from portable welding equipment, which had been addressed effectively by staff following the correct procedure. The incident had been investigated by the Assistant Principal and the Health and Safety Committee would review this. The student involved had not suffered injury or effects.
  - F. A Governor asked if the App for lone workers had been progressed; the Director of Personnel would follow this up.

D Baldwin

## II. Staff Report

- A. A staff development day had been arranged in July with the programme including blended learning, the risk register and embedding English and maths.
- B. The tendering exercise for payroll providers had commenced with three providers shortlisted who would provide demonstrations. There was no urgency to address this as the existing provider would continue to provide the service as notice had not yet been given. Detailed research about costs, systems and service provision would be taken into account to ensure the most appropriate provider was appointed to meet the College's needs.
- C. The College will be required to publish gender pay gap statistics before March 2018 to meet new regulations to the Equality Act. This would also be discussed with the potential payroll providers.
- D. IR35 introduced new rules about off-payroll working in the public sector from April 2017 which the College is adhering to.
- E. The apprenticeship levy came into force in April 2017. The College is confirming arrangements to pay the levy and how to use the allowance.
- F. The LGPS employer's contribution increased from 15.5% to 16.4% in April 2017.

### The Committee agreed: -

- To note the reports presented by the Director of Personnel

## 5. Finance Reports

### I. College Budget 2017/18

The Board would be required to approve the budget for submission to ESFA by 31 July 2017. 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.

16-19 allocation (previously EFA allocation) was lagged funding based on a combination of the current year's number of learners in November 2016 and the previous year's end of year retention. Taking these into account, there would be a reduction of £474,000 income for 2017/18.

The apprenticeship levy which commenced in May 2017 would incur c£30,000 additional costs during 2017/18. The levy brought potential risks to funding which could impact on the number of apprenticeship starts. The College had sought advice from AoC and would continue to recruit apprentices estimating income to be c£2.5M; the indicative allocation is £359,000 for new starts between May to December 2017.

Sub-contracting provision costs are estimated at £489,000 to provide £650,000 of ESFA funding.

Assumptions in the budget were provided in the paper.

## **II. Management Accounts to 31 May 2017**

- A. Overall performance shows a net surplus of £156,000, this is £219,000 better than the budgeted year to date deficit of £63,000.
- B. The overall outturn for the year is an operating surplus of £18,000 forecast for the year end and a net deficit of £92,000.
- C. Income streams were outlined in the report.
- D. Substantive payroll costs are £401,000 (5%) below budget year to date.
- E. Non-pay costs are £559,000 (6%) below budget.
- F. The balance sheet remained strong showing £33M fixed assets and a bank balance of £3M.
- G. Performance against the financial KPIs was positive with all indicators exceeded.
- H. Cash flow by month was explained including LEP income and income from sale of land.

Discussion and questions followed which were duly answered.

Reasons for the negative variance of 11% in County Training's contribution to overheads were requested. This included corporate costs for some of the year which had subsequently been removed following restructuring. (An additional column to show total income of each faculty could be added to the table).

Ludlow College's contribution appeared high asking if this had caused any impact on learning as this was financially extremely positive. The Director of Finance reminded Governors that the contribution level was relatively low 37%.

E Gwillim

It was also encouraging to note the significant improvements to quality at Ludlow College.

A Governor asked who would complete the stocktake at Holme Lacy College noting that Brightwells were instructed to complete this.

KSP Ltd was being wound up which would only be reported until the end of the financial year.

- III. **Capital Projects Update:** Nothing to report
- IV. **Sale of Sawmills field, Holme Lacy:** A potential developer was pursuing options for development. If they remained interested, they would approach the College to pursue.
- V. **Sub-Contracting Policy 2016/17:** ESFA require an auditor's certificate. Part of this requires the Board to approve its sub-contract policy. The Director of Finance had written a sub-contract policy for 2016/17 which, once approved by the Board, would be published on the College's website. This would need to be reviewed and approved in November 2017 for 2017/18.
- VI. **Sub-Contracting Report:** Noted
- VII. **Apprenticeship provision financial arrangements:** The apprenticeship levy is a major area of reform. Governors were referred to guidance on the College's website for employers and apprentices. The apprenticeship levy had been introduced in May 2017 with a requirement for employers with over £3M staff pay to pay the levy which would be held by Government for training. There are different bands based on the number of employees in companies. Frameworks will be replaced by Standards which the College will need to deliver. The College's apprenticeship income stream is currently £2.5M which could be affected by the levy. This would continue to be reported to Governors.

The Committee agreed:

- To recommend the Board approve the budget 2017/18 including sub-contracting up to £650,000 in year
- To note the management accounts to 31 May 2017
- To recommend that the Board approve the sub-contract policy.
- To note the sub-contracting report 2016/17 evidencing that the College was closely monitoring provision

**7. Annual items for Committee**

- I. Election of Chair 2017/18: The Committee agreed to appoint James Caird 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.

- III. Terms of reference: agreed subject to changes proposed by the Clerk next year

The Committee agreed: -

- To appoint James Caird as Chair of the Committee for 2017/18
- The Committee was effective and adequately met the requirements of its terms of reference
- No changes were suggested from Governors to the terms of reference which the Clerk would thoroughly review during the summer

**8. Identification of key risks**

This item had been added to all committee agenda to enable committees to focus on potential risks and to request additional risks to be added to the risk register.

The Committee agreed: -

- No additional risks were identified to add to the risk register

**9. Any other Business**

- I. The Clerk formally thanked Dr Lavers who had effectively chaired the Committee for several years; this was reiterated by Governors.
- II. The Chair expressed appreciation to David Williams for his contribution to the College wishing him success in his new job; again this was reiterated by Governors.

**10. Date and time of next meeting**

The next meeting was arranged for Wednesday 29 November 2017 commencing at 2.00 pm.

**Signed as a true record of proceedings**

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