



Minutes of a Resources Committee meeting held on 12th February 2019 at 4.00pm

Held in the Boardroom S4.23 at City Campus

Present: Ieuan Blackmore (Co-opted Governor)
Peter Brammall (Principal)
Peter Matthews (Independent Governor)
Adam Wheatley (Independent Governor)
Helena Marston (Independent Governor)
Tony Minhas (Independent Governor) (Chair)
Sue Noyes (Chair of the Corporation)

In Attendance: Faye Grundy (Head of Governance)
Gemma Knott (Assistant Principal Business Growth)
Mark Payne (Vice Principal Finance and Resources)

R41/19 Apologies for Absence

Apologies for absence were received from Debbie Wright (Assistant Principal People Services)

R42/19 Declarations of Interest

There were no declarations of interest.

R43/19 Minutes of the Last Meeting held on 13th November 2018

The minutes of the last meeting held on 13th November 2018 were approved as a true record.

Governors requested that draft minutes be circulated within a fortnight of the meeting date.

R44/19 Matters Arising

There were no matters arising.

R45/19 Management Accounts as at 31st December 2018

1. The Vice Principal Finance and Resources presented the management accounts as at 31st December 2018 which constituted a mid-year financial review.
2. Based on current projections it is unlikely that the College budget will be met. The College had forecast for two scenarios both of which would impact upon the financial health rating being held at satisfactory. Additionally both scenarios breach the College's financial covenants, although it was reported that the bank were supportive of the College's position largely due to its liquidity status and it was suggested that the bank would convert the loan covenants to covenants which were based upon the College's liquidity position.

3. Governors queried the cost of servicing the loan and requested that a Financial Delivery Plan be implemented to restore a parity position.
4. Governors requested that the Financial Delivery Plan be presented at the next Corporation Board meeting, reviewed monthly thereafter, and for the plan to include the following:
 - i. actions to commence prior to the end of the financial year
 - ii. actions to be rag rated
 - iii. names to be inserted against each action.
5. Governors queried whether the College was at an early intervention point. It was advised that the College would keep a watching brief over this issue and would refer early to ESFA in the event that became necessary. It was noted that due to its loan burden the College will score adversely against the ESFA criteria.
6. The implications of breaching the banking covenants was outlined to Governors together with the Insolvency rules as they apply to College Boards. It was recognised that the bank could reprice the facility or foreclose, although it was noted that the latter would be unlikely and more likely that the College be moved in a business support regime.
7. The Vice Principal (Finance and Resources) reported that the AEB and Apprenticeship programme were to be prioritised. Governors were advised that Agency costs needed to be scrutinised. The bill of £1.3 million was high and also did not provide best quality for learners.
8. Governors queried the strategy for agency workers and were advised of the difficulties in recruiting permanent staff to vacant posts. It was confirmed that the College had a target date of 1st August 2019 to get staffing in line with Curriculum Plan. Governors queried the percentage of budget used by agency workers. It was confirmed that the budget for agency workers as a sector standard for a College of a similar size would be £150,000 to £250,000 as opposed to the College's current budget of £750,000 to £850,000. It was reported that the Assistant Principal (People Services) had commenced a project to look at the means of attracting people to vacant roles and possible managed service arrangements.
 ACTION
 The Chair requested that a breakdown of the agency costs be provided to Governors together with an analysis of the root cause of the issue.
9. After due consideration, Governors resolved:-
 - i) to note the management accounts as at 31st December 2018
 - ii) to request the financial delivery plan be presented and scrutinised at the Corporation Board meeting.
 - ii) for the Resources Committee to meet monthly to review the Financial Delivery Plan.

R46/19KPIs

1. The Vice Principal Finance and Resources presented the KPI data for those areas over which the Resources Committee had oversight, and reported on progress since the last meeting. It was noted that the KPI's were aligned with the Corporate Plan, those rag rated red were based on projections in finances and income shortfall. It was recognised that the majority were therefore non retrievable.
2. Governors queried why the College undertakes sub-contracting given the value of £380,000 and were advised that this is utilised where the College's own curriculum plan falls short and forms part of

the interim strategy until the College has the ability to deliver the provision itself. It was noted that there was not a financial driver for operating in this way.

3. Room utilisation out-turned at 25% against the target of 30%. RAG rated 'Red'. It was noted that the best classrooms for TLA needed to be utilised. It was reported that the Department of Education will be valuing the estate as part of a condition survey by the end of May.

4. Governors resolved:-

- i) to note the KPI out-turns for 2018-19;

R47/19 Business Development and Growth

1. The Assistant Principal Business Development presented Governors with an update in relation to business growth and development.
2. The College had focused on building the school leaver market. There had been good application numbers. The open events had been successful providing a 50% conversion rate and 46% increase in attendance.
3. It was reported that the new website had been launched in January 2019. The statistics provided that on average users were spending 3 minutes in the website and 15,000 visitors had been received in the last two weeks, bounces had decreased by 25% and 300 enquiries had been captured since 7th January 2019.
4. The College had attended school events and campuses to showcase the College offer. The College had received 294 more applications than at the same point last year, although it was recognised that this need to increase further. The comparison between applications for Henley and City also needed to be reviewed to ensure curriculum offer was attractive in the market.
5. The Chair queried the spread of schools from which the College had been receiving applications given that these were largely in the North East of the City and did not provide easy transport links. It was recognised that an exceptional amount of work had been completed in a short space of time and without the resource of a dedicated schools' liaison position. It was confirmed that a focus on social media was required to ensure students are aware of the College's broad provision.

ACTION

It was requested that a deeper analysis of applications be provided to include post code analysis, travel to study pattern and an understanding of school offers to retain students.

6. Governors were provided with an overview of apprenticeship enrolments. Governors requested that they be provided with further details of the Bus and Coach Engineering enrolments as data suggested that there was no-one on this course.
7. Governors resolved:-
 - i) to note the current position;
 - ii) to agree the actions outline in points 5 and 6 be progressed.

R48/19 Estates Strategy Update

1. The Vice Principal Finance and Resources presented the Estates Strategy as approved by the shadow board. The actions had been broken down in 2017/18 to a plan for 18/20
2. Governors flagged the low levels of utilisation and it was reported that this formed part of the Estates Strategy.
3. High levels of sickness and recruitment difficulties were also reported to the Committee. It was agreed that the team need to finesse working practices
4. Governors acknowledged that the Estate worked on minimum standards with assurance from a health and safety perspective as opposed to operating at an outstanding quality standard.
5. After due consideration, Governors resolved:-
 - i) to note the Estates Strategy Update
 - ii) request a focus on It and Digital at the next meeting.

R49/19 Health and Safety Annual Report 2018-19

1. The Vice Principal Finance and Resources presented the 2017-18 Health and Safety Annual Report for Governors' consideration and comment.
2. The work of the Health and Safety committee during the year was summarised, and Governors were informed that two meetings had taken place as scheduled with the third due to take place the following day. The membership of the committee is made up of teaching and business support staff, managers, and the link governor for health and safety.
3. There were no reportable accidents or incidents in 2018-19 under the RIDDOR regulations.
4. The HSE had written to the College further to a staff member receiving an electric shock and had been satisfied with the College's response and investigatory processes
5. Governors sought clarification as to where within health and safety procedures security issues were reflected, such as the presence of weapons or thefts. It was understood that these matters were reported as part of the safeguarding agenda however it was recognised that this should also form part of the Health and Safety Risk Assessment as part of the wider review as to whether the College is a safe place to work and study.
6. After due consideration, Governors resolved:-
 - i) to note the Health and Safety Annual Report for 2018-19;
 - iii) to agree that the security measure be reflected in the health and safety reports and should be raised by the link governor and Vice-Principal (Finance and Resources) at Health and Safety Committee Meetings.
 - iv) To agree that the Vice-Principal (Finance and Resources) Discuss with colleagues at the Senior Leadership Team Meeting where the respective remits of Safeguarding and Health and Safety fit.

R50/19 HR Update

1. The Principal presented Governors with the latest HR report for their consideration and comment. An update as to harmonisation was provided which outline progress to date.

2. It was reported that the strike action had been called off and that the College was in discussions with UCU as to a positive proposal but that a positive response needed to be defined. This included enhancements for particular members of staff, with examples of a pay uplift of x per student number. It was noted that a follow up meeting had been scheduled for the week after half term.
3. Governors queries whether the proposals outlined had been built into the financial projections. It was confirmed that the proposals had not been built in but that car parking had formed part of the modelling process.
4. Governors resolved after due consideration;
 - i. To note the report
 - ii. To agree that the discussions with unions and the outcome be brought back to the Committee.

R51/19 Risk Register

1. The Vice Principal Finance and Resources presented the latest update of the risk register for those areas which are overseen by the Resources' Committee.
2. Risk 2 'Failure to recruit sufficient students' is RAG rated as Red for 2018-19 (certain probability, and significant impact). 16-18 recruitment is below target, and therefore there will be a reduction in funding in 2019-20. HE, Adult Loans and AEB numbers are also behind target, and failure to address these shortfalls through ongoing recruitment will result in in-year income targets not being achieved.
3. Risks 15 and 17 'Failure to meet key financial targets' RAG rated as Red (possible probability, and significant impact), and 'Failure to meet bank covenants' RAG rated as Red (possible probability, and significant impact) are directly linked to the probable income shortfalls in 2018-19. A revised financial plan is being developed to ensure that the budgeted out-turn is achieved.
4. Governors queried the impact of the UK leaving the EU and the preparation required. It was reported that there would not be any significant impact but that the largest risk would be economic stability.
5. Governors resolved:-
 - i) to note the February risk register as items related to resources' issues;
 - ii) to agree that a reassessment of the implications of the UK exiting the EU be undertaken for Corporation Board.

R52/19 Related Items from the Corporation Sub Committees

1. The Vice Principal (Finances and Resources) advised the Committee that the Corporation Standards Committee had asked the Resources Committee to provide scrutiny to the College's operation of Capacity Development Funding.
2. It was reported that the funding had appeared in the 17/18 accounts following a bid being made by all Colleges. Governors were advised that the College target of 140 had not been met but that the conversations with the ESFA had suggested that the money would not be liable for repayment in the event the target had not been achieved and therefore there was not a significant risk of clawback.

3. Governors queried as to whether the Senior Leadership Team had formed a consensus view on this subject and were advised that it was to be decided where income allocated and the potential risk of clawback.
4. Governors resolved;
 - i) to agree to monitor the position.

R53/19 Any Other Business

1. The Vice Principal (Finance and Resources) reported that the College had agreed to progress working with a sub-contractor called Primary Goal and that the College would not be working with Babington.
2. It was agreed that the Resources Committee would meet in April to review the Financial Delivery Plan.

R54/19 Date of the next meeting

The date of the next meeting was confirmed for Tuesday 7th May 2019 4.00pm at the City campus.

R40/18 Publication of Documents

The publication of documents was approved without exception, apart from the Annex to the Management Accounts because of its commercially sensitive content.

Meeting commenced 4.00pm

Meeting closed 6.45pm

FG