

MINUTES

Group :	FINANCE AND BUSINESS OPERATIONS	Date:	07/02/2017
Location:	PDP SUITE, LONDON ROAD CAMPUS	Time:	5.45 p.m.
Membership:	Michael Bishopp, Gordon Channon, Anne Dokov, Alison Jackson, David Pulford, Rob Rosson, Lyn Surgeon (Interim Principal/Chief Executive), Verity Underhill and Mike Willmot.		
IN ATTENDANCE:	Members of the Senior Leadership Team: Donna Lucas, Group Vice-Principal - Human Resource Development (up to Minute No. 17/06) Janet Stephens, Group Vice-Principal, Financial and Asset Management Clerk to the Corporation, Tracy Cottee		
APOLOGIES:	Anne Dokov, Alison Jackson and Mike Willmot.		

01/17. **Declarations of Interest**

Verity Underhill declared an interest in the Confidential Report considered at Minute No. 17/05 as a member of staff affected by the contents. She withdrew from the meeting and took no part in consideration of the item.

02/17. **Minutes**

Resolved:

That the Minutes of the meeting held on 22 November 2016, be approved.

03/17. **Matters Arising:**

Feedback from meetings with Unions (Res. 27/16)

In response to a Governor query regarding the teaching unions being asked to give a collective response on policies, the Group Vice Principal, Human Resources Development reported that this was in place in principal but not yet in practice. She was seeking to address this.

Staffing Update (Res 26/16)

The Group Vice Principal, Human Resources Development reported that the new Principal/Chief Executive had now returned his contract pack, with a letter advising of the possibility that his start date may be 16 May 2017; however, he would endeavour to amend this to 24 April 2017. The Interim Principal would remain in post until 24 April 2017. However, she had agreed to remain in the role, should there be a possibility of a three-week 'gap'.

The Group Vice Principal, Human Resources Development advised that the new Chief Executive/Principal had not been able attend the all- staff conference held on 3 January 2017.

04/17 **Terms of Reference for the Finance and Business Operations Committee** (Appendix 5)

Following a decision at the Group Board meeting on 12 December 2016 (Minute No. 36 (ii) refers) to create a new Human Resources Committee, the revised Committee Terms of Reference (previously circulated) were considered.

Search & Governance Committee would recommended Committee membership to the Board in March 2017.

G. Channon observed that, currently, Group Standing Orders generally prescribed that either the Group Chair or Vice-Chair be a member of the main programme committees. The Search & Governance Committee would consider a proposal to amend this provision to offer either ex-officio membership to the Group Chair or Vice Chair or the ability to be a member in their personal capacity instead. He therefore requested that the Committee agree that the Terms be amended accordingly. The Committee agreed this.

Resolved:

That the Terms of Reference for the Committee, as amended, be agreed and referred to the Board for approval.

ACTION: Clerk to Board 22/03/17

05/17 **HR Items**

The Group Vice-Principal - Human Resource Development (GVP HRD) provided a verbal update and circulated information as follows –

Pay Forecast

The GVO HRD was confident that the Pay Budget forecast would be delivered. Currently, there was an underspend on employed costs; however, this was offset due to spending beyond budget on agency staff. She was pursuing a number of options to reduce this spend including negotiating with agencies on rates, being more stringent on agency staff requests to Resource Panel and reducing the opportunities for agencies to levy Finders' Fees.

Resolved:

That the report of the Group Vice-Principal - Human Resource Development be noted.

Verity Underhill left the meeting at this point.

Pay Integration Costings

The Group Vice-Principal - Human Resource Development (GVP HRD) tabled a Confidential paper, seeking comments on the financial impact of the issues presented. Details are set out in a Confidential Minute,

Resolved:

That the verbal report of the Vice-Principal, Human Resources Development be noted and that she proceed on the basis set out in the Confidential Minute. **ACTION: GVP – HR/GVP – FAM/SLT**

Verity Underhill returned to the meeting at this point.

06/17 College's Financial Position and Mid-Year Financial Budget – Update (Appendix 7)

The Group Vice Principal Financial and Asset Management (GVP – AFM), submitted a report (previously circulated), setting out the revised outturn position for the year including key highlights and performance against Key Performance Indicators (KPIs). The outturn position had been updated to include the most up-to-date forecast data for the two key areas of risk identified through the management accounts:

Highlights included -

- Skills Funding Agency (SFA) allocation: The College was not going to achieve its SFA target allocations for 16-18 Apprentices and Adult apprentices.
- Higher Education (HE) numbers: The College had recruited fewer learners than planned; however, the position had improved from the former Shrewsbury College's position in 2015/16. It was anticipated that the planning of HE student numbers will be more accurate in future years. SLT would be carrying out a strategic review of the HE provision in preparation for the 17/18 provision planning.
- A full mid-year review of all other College budgets had taken place and appropriate amendments had been made to the budgets to reduce the income gap. The Senior Leadership Team (SLT) would continue to identify new income streams and/or efficiency savings to reduce the gap to zero by the year end.
- The adjusted current ratio based on the revised outturn for the year was 1.44, with both cash and accrued expenses remaining high.
- Year-End Forecasts for cash balances were noted.
- Financial health based on the year to date position was Good and this grading was expected to be maintained for the full year position.

The losses incurred by Origins and Evolve were discussed and it was agreed that plans should be put in place to help ensure they broke even in the relatively short term. **ACTION: I,P&CE/VPFAM**

In addition, the Committee Chair read out to the Committee an 'early intervention notice' letter received from the SFA and EFA. The College had been very surprised to receive this. The Committee noted with satisfaction that the Interim Principal and GVP – FAM were able to confirm subsequently that it had been sent out in error.

Resolved:

That the Group's Financial Position and Mid-Year Financial Budget, as updated, be recommended to the Board for approval. **ACTION: Clerk to Board 22/03/17**

07/17 Management Accounts – Year to Date 2016/17 (Appendix 8)

The Group Vice Principal, Financial and Asset Management, submitted a report (previously circulated) with the updated year to date Shrewsbury Colleges Group management accounts up to 31 December 2016.

The GVP – FAM reported that, due to the timing of the meeting, the Management Accounts presented had been superseded by the mid-year update. The January 2017 Management Accounts would be emailed to all governors following consideration at SLT.

Resolved:

That the year to date Management Accounts for the Shrewsbury Colleges Group up to 31 December 2016, be approved and recommended to Board. **ACTION: Clerk to Board 22/03/17**

08/17 **Liability Insurance for Managers and Governors** (Appendix 9)

The Group Vice Principal, Financial and Asset Management, submitted a report (previously circulated) setting out the current position with regard to Group Governors' & Officers' (G&O) Liability insurance and the financial implications of increasing the indemnity limit by an additional £5m.

The estimated total annual cost for the increased G&O insurance would be circa £5,800 plus IPT if the indemnity limit was increased to £10m. (Circa £6,350 including IPT).

The Committee observed that with possible liability implications for governors in The Technical and Further Education Bill, it was prudent to increase the indemnity limit by an additional £5m.

Resolved:

That it be recommended to Board that the Group Governors' & Officers' Liability insurance indemnity limit be increased by an additional £5m. **ACTION:** GVP - FAM to action

09/17 **Estates Report Termly Report** (Appendix 10)

The Group Vice-Principal, Financial and Asset Management, submitted a summary of estates projects completed during the Winter Term:

The key priorities for the remainder of the Term included -

- Engineering LEP bid;
- LRC Cleaning;
- Sport Centre Signage
- LRC Hub External Facia;- the insurers had now confirmed that there was no need to install a fire suppression system; and
- Curriculum Relocation Project

The College had also applied through the EFA's Condition Improvement Fund (CIF) for two projects.

The College was currently considering its options in relation to the Bellrock contract currently in place for cleaning, catering and planned preventative maintenance at the Welsh and English Bridge Campuses.

Regarding opportunities for income generation, the Committee had been circulated with notification of a Public Consultation on the installation of a Mobile Phone mast onto one on the running track lighting columns at the London Road site.

Organisers of the Shrewsbury Beer Festival wished to book the English Bridge site for the event. The Committee indicated that it would consider this request favourably, subject to subject to certain safeguards being in place including the Festival organisers paying the costs of applying for any necessary licenses and clean-up costs.

Resolved:

That the Estates Report be noted.

10/17 **Health and Safety Report** (Appendix 11)

The Group Vice-Principal, Financial and Asset Management submitted the termly Health and Safety Report (previously circulated) covering the following issues:

- Health and Safety Policy
- Health and Safety Policy Statement (Tabled);
- Reportable Incidents – None
- Fire Evacuation Procedures – 2 false alarms at LR site.
- Accidents – 15 to date; 2 more than this time last year. All were of a very low nature.
- First Aid – London Road – noted as an area for improvement
- First Aid – Welsh Bridge/English Bridge – sufficient qualified staff
- PPM compliance – All remedial works have also been completed for the highest priority items
- Health and Safety Committee – New SCG Groups is being finalised read for the next meeting on 23rd February at WBC / EBC

Resolved: That

1. the Health and Safety Report be noted; and
2. the Health and Safety Policy be recommended to Board.

Governor Representative Feedback

The Governor Representative for Health and Safety reported that the next staff Health & Safety meeting would take place on 23 February 2017. A key issue to consider would be the flooding of the English Bridge basement.

Resolved:

That the Health and Safety Governor Update be noted.

11/17 Risk

That were no new risks identified for the risk register.

12/17 Estates Strategy (Appendix 14)

The Committee considered the Group's Accommodation Strategy (previously circulated) and progress against the KPIs contained within it.

Resolved:

That the Group's Accommodation Strategy be noted.

13/17 Date of Next Meeting – Tuesday, 13 June 2017 at 5.45 p.m., Welsh Bridge Campus.

The meeting concluded at 7.49 p.m.