

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on Thursday 24 November 2016 at Gearies Centre at 6.00pm.

PRESENT: Margaret Partridge (Chair), Kathleen Atkins (Vice-Chair),
Deanna Clarke, Joni Cunningham, Olive Hamilton-Andrews,
David O'Donoghue, Mo Rahee and Councillor Joyce Ryan.

Also in attendance: Gill Hails, Assistant Principal Finance & Resources,
Janis Lane, Clerk to the Governors.

- 865. APOLOGIES for Absence** – all Governors were in attendance. Olive Hamilton-Andrews arranged to leave the meeting at 7.15pm due to another commitment.
- 866. DECLARATIONS OF INTEREST** – there were none.
- 867. MINUTES of the meeting** held on 22 June 2016 were confirmed and signed by the Chair subject to an amendment to minute 860 (para 1) as the correct amount should be £100,000 and an amendment to minute 861 (para 7) would 'not' want to operate.
- 868. LEARNING IN MIND FUNDED PROJECT (Matter Arising: minute 857 refers)**

Governors referred to the funding bid by RIAE to the Department of Work & Pensions (DWP) that had not been accepted as the DWP Contracts Team view was that RIAE did not have independent status to the Local Authority (LA). Governors felt that this was contradictory where, in a review of RIAE's Finance Policy, RIAE had requested a procurement card and informed by the LA's Corporate Accounting Team that it would not be possible for RIAE to obtain as RIAE was deemed a separate entity from the LA. The Principal informed Governors that the issue of the bid had been complicated and had gone to the National Audit Team for advice. The local DWP Manager and the LA wanted RIAE to run the Project and this had now proceeded but had been identified as an LA project with the LA named as the Accountable Body. This was an important project with £59,000 funding and intended for people with mental health issues and gaining employment into work. Also, at the last meeting it was reported that a bid of £40,000 had been submitted to the Big Lottery funding for a sub-contract with Redbridge Community Voluntary Services (RCVS) for getting people into work but unfortunately this had not successful. RIAE had been successful in another project as lead taking 50% and the Principal reported RIAE had been offered £75 per learner but had negotiated the amount up to £325 and Governors were pleased with this. The Principal informed Governors that RIAE takes 15% from a sub-contractor under SFA contracts that are regulated and published on the website.

- 869. FUNDED VALUE ADULT SKILLS BUDGET (Matter arising: minute 858 refers)**

Governors asked for an update to the last meeting when they were informed that the most recent indication for the funded value forecast had been that RIAE would be above target for core provision this year but would be below for apprenticeships. Governors were pleased to hear that funded value for core provision had exceeded target by £110,000 and another Apprentice

had been recruited, although clawback of £30,000 for being under target for Apprenticeships was anticipated. Governors also noted the additional income from Sophia Hubs, as previously reported, and further benefit expected from Business Education Partnership (BEP) who would be delivering some of their programme at RIAE during the rest of the academic year as they were being accommodated at Gearies while emergency repairs were being carried out at their own premises. Their work programme learners would be able to take programmes at RIAE, without being double funded, so the arrangement would be of two way benefit.

870. FINANCE & GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE REVIEW

Governors considered the Terms of Reference due for annual review and no changes were necessary.

ACTION: the Terms of Reference were reviewed and there were no changes.

871. ANNUAL ELECTION OF CHAIR AND VICE-CHAIR OF FINANCE & GENERAL PURPOSES COMMITTEE

Election of Chair and Vice-Chair for F&GP was due for the year from the first meeting of F&GP in the autumn term. Kathleen Atkins nominated Margaret Partridge as Chair seconded by David O'Donoghue. Margaret Partridge nominated Kathleen Atkins as Vice-Chair seconded by Councillor Joyce Ryan.

ACTION: Margaret Partridge was appointed as Chair of F&GP and Kathleen Atkins appointed as Vice-Chair.

872. BUDGET 2016/17 - BUDGET PERFORMANCE TO DATE as at September 2016

Governors considered the Variance Summary Report September 2016 and the Budget Monitoring Report September 2016. A balanced budget was confidently expected for the Budget 2016/17 financial year and Governors expected the balance from savings on vacant posts and other budget lines would be carried forward to support the 2017/18 budget. There had been a lot of vacant posts as getting the new staff structure into place across the board had taken time. The budget pressures considered included a Pay Award of 2.25% for Academic Staff from September 2016 that had been approved for staff on the local Academic contract and this was 1.25% more than budget; IT upgrades and Support; Aqua (MIS Software); Website – investment needed from RIAE Reserves; and replacement of one of the Pottery kilns that was specialist provision. The impact of the pay award this year amounted to a total increase in budget in the region of £4,000 and this would not be such a significant pressure, particularly as only from September 2016, but would be a greater pressure in subsequent years at an increased cost in the region of £30,000 next year.

In relation to IT Upgrades and Support, Governors asked for more information regarding the full network rebuild at Mildmay Centre and the inherited problems dating back to the transfer of responsibility from Vision to RIAE. Governors were reassured that this could not have been foreseen and that higher level of IT use at Mildmay was worth the investment and Governors agreed.

Governors were pleased with upgrades at Gearies and that the support contract had worked so well over the first year of implementation. The revised support contract at £8,995 would now cover all main sites including Mildmay and Wanstead House and would bring various support contracts into one flexible agreement and Governors considered good value for money.

Governors discussed investment needed in the website and the proposal to outsource the design and hosting of the website alongside maintaining and updating the content internally using a Content management System that would not require internal programming skills. Governors asked whether there was a set timeframe and terms & conditions and it was confirmed that this would be on an annual basis with a Service Level Agreement (SLA) with regular review. Governors asked how the cost of between £10,000 to £15,000 from reserves would impact on the level of reserve. The Assistant Principal Finance & resources confirmed the balance of reserves was £420,000 so adequate for this amount. Governors had previously addressed the need for development of the website and agreed this priority and one that RIAE could update, preferably by Teams and for a more dynamic website. In response to Governors, it was confirmed that in terms of oversight of the website the technical side would be overseen by the Assistant Principal Quality and Student Services, who would also be responsible for marketing and the levels of permission. Governors also asked if training was being provided and confirmed that it was. In response to Governors it was also confirmed that the company was a reputable one, and had been giving good independent feedback and sound advice. Governors asked about the timescale for implementation and informed that this was anticipated in the New Year and before the end of the financial year. Governors questioned use of this and different functionalities and whether could be used for on line enrolment. The Principal informed Governors that on line enrolment would be possible and was currently being looked at but may only be possible for some learners such as Leisure and Community Learning and plan to have this up and running next year too. Governors were pleased for on line enrolments and registration to progress business and a more professional product and could see that, as the Principal advised, would need to take into account follow up checks and information further to the on line enrolment.

Governors were pleased with the Operational Gains to date of £103,120 due to ongoing vacancies and temporary recruitment gaps. It was also anticipated that there could be one off gains in relation to rental payments from Sophia Hubs and also from other smaller external payments such as UK On Line and Tinder (now Good Ideas Foundation).

The Year end estimated outturn balance stood at £118,580 to date. The sum of £75,000 had been set aside when the 2016/17 was set and had been earmarked to carry forward to support the 2017/18 budget whereby total funds to carry forward to 2017/18 were £193,580. Governors considered that the impact of pay awards and other price increases would put further pressure on next year's budget and so at least a similar level of shortfall would need to be built into balances by year end. Governors asked for clarification of the sum of £200,000 and informed that this was the rounded up figure to take any additional items into account

Governors considered instalment write offs of £1,272 in unpaid instalment fees and that the costs of pursuing these debts were prohibitive and the net impact of unpaid balances was very low. It was confirmed that the total represented 3 learners and that they had stopped attending early in their studies and the total collected from them of £727 as first instalments had not been

refunded to them. All learners who had completed their studies had paid in full. It was also confirmed that 77 learners had used the instalment plan option in 2015/16 with an initial total debt of £48,177. Governors were impressed by the low number of non-payments and congratulated staff for getting all monies in, particularly the Finance Administrator for being so proactive in writing to the individuals on payment plans to avoid becoming an issue for learners. This had worked well and Governors furthermore pleased as wanting learners to complete their course. Governors asked about the 3 students who had withdrawn and informed that this would have been due to individual circumstances and attempts would have been made to contact them. This would have been part of RIAE absence procedure where absences would have been followed up within 2 weeks.

ACTION: Governors

- (i) noted that a balanced budget was forecast for 2016/17 with funds to carry forward estimated at £200,000
- (ii) agreed to write off outstanding instalment debts of £1,272
- (iii) approved the use of reserves to cover the cost of initial design and implementation of a new website.

873. FMCE & STATEMENT OF INTERNAL CONTROL AND RISK REGISTER

Governors considered for approval the Financial Management and Control Evaluation (FMCE) Report for 2016. Governors valued this as an annual self-assessment that RIAE carried out although no longer a formal requirement. The framework was from the Skills Funding Agency (SFA) and, as a Local Authority provider, RIAE was exempt from doing but considered value and best practice in the process. The grading system in the framework had been retained and Governors noted Good overall grades in the 3 areas of arrangements for Accountability, Financial Planning and Internal Control and 1 Outstanding grade in Financial Monitoring Arrangements. Governors used this assessment to enable their evaluation of financial management and as evidence to underpin the Statement of Internal Control. It was also useful for submission of funding bids. Governors noted that there were areas needing improvement including timely forecasting of funded value based on actual and predicted uptake of funded places; and a contingency plan if a funded value shortfall was predicted. Governors considered the Statement of Internal Control for the year from December 2016 to November 2017 and in relation to Section 3 agreed that 'to mitigate recurrence' should be added to the end of the sentence.

Governors raised that there had not been an internal audit carried out by the Local Authority for almost 3 years and that the FMCE also helped in the absence of this. The Principal advised Governors that although an internal audit had not been carried the LBR Audit Team would always be available to raise any issues or concerns with them. The FMCE would also be a good process for future audit to review.

Governors considered the updated Risk Register and noted that previous risks relating to funding allocation had been closed. New risks identified were devolution of funding to the Mayor of London likely to impact on funding for Adult and Community Learning in Redbridge in 2018/19; Implementation of recommendation following the Area Reviews could lead to a reduction in dedicated Adult Education Service for Redbridge residents; and failure to fill vacant posts and

retain skilled staff in key posts would reduce capacity to deliver and to respond to new initiatives and also the risk of destabilising existing staff.

ACTION: Governors

- (i) confirmed the Financial Management Control & Evaluation Report
- (ii) approved and signed the Statement of Internal Control including the revision to section 3 as proposed
- (iii) considered the impact of the current Risk Register.

**874. HEALTH & SAFETY REPORT INCLUDING ACCIDENTS & INCIDENTS –
JULY 2016 TO NOVEMBER 2016**

Governors were informed that since the last report there had been 1 incident and 1 accident both at Gearies Centre. In response to Governors, it was confirmed that it was the same learner having a seizure. Governors asked for further information regarding the reported accident where an individual fell and another banged their head and were assured that learners had made full recoveries.

Personal Emergency Evacuation Plans (PEEP's) had been completed for all learners as required.

Fire Marshall training had been carried out in July 2016. Governors asked if fire evacuation practice had been undertaken in November 2016 and were informed that it had not yet taken place. It was confirmed that First Aid cover was adequate following staff changes and refresher training for some staff would be needed in March/April 2017.

Improvements had been made to the car park including surface repairs and the installation of metal barriers to protect the building. In relation to car park safety a short survey was being carried out to identify particular issues and there had already been feedback to Head of Gearies School that parents had not been parking appropriately and information from the survey would be reported to the Head of Gearies School. Governors raised individuals using the car park as a short cut and the Principal responded that RIAE was aware of this and investigating further. There was a designated walkway through the car park but individuals were not always making use of this. The Facilities Team were monitoring and recording in relation to the car park safety which was helping to improve and collect data.

Governors were informed that all risk assessments covering Gearies Centre had been reviewed and updated but that risk assessments for delivery in the external community venues needed reviewing as a priority and would be updated and completed before the end of autumn term 2016.

ACTION: Governors noted

- (i) accidents and incidents.
- (ii) actions taken
- (iii) risk assessments relating to external community venues would be updated and completed by the end of December 2016.

875. POLICIES

(a) FEES POLICY 2017/18

Governors considered the annual review of the Fees Policy for 2017/18 together with the scale of charges. The Senior Leadership Team had recommended an increase across the board in fees by 1% for standard courses and a corresponding increase in other fees and charges. Governors had approved the fee charges for 2016/17 with a view to the falling fee and loan income and as fees had not been increased for 5 years prior Governors further felt that economic pressures on household budgets during that period could have led to a further drop in enrolments. The fee increase agreed by Governors last year had not resulted in a negative impact. Governors considered the impact of the fee increase from September 2016 and other factors as well as cost pressures on RIAE and felt that there should be a modest annual fee increase. It was also proposed to revise the policy in respect of capacity to provide low cost or zero fee courses for non-fundable priority learners who met locally agreed criteria.

Governors questioned the proposed deletions in Section 1.6 Lettings Charges in that the wording needed to be reviewed to read correctly and the Assistant Principal Finance & Resources would revise. Governors also asked for clarification in relation to Section 1.7 Informal Learning Groups and the reference to New Challenges, New Chances December 2011 and whether this was still up to date. The Principal confirmed that this was the up to date ruling over Community Learning objectives in that Adult Education establishments, where their own accommodation was not in use, should consider making their accommodation available to another learning group. Governors referred to Annex 2 of the Policy that related to Lettings Charges and in relation to Public & Commercial Hire where classrooms were not available at weekends. The Principal informed Governors that the Hall was used rather than Classrooms as the Hall was more self-contained and more cost effective than use of classrooms that incurred additional running costs for facilities and staffing. Classrooms at Gearies were hired, if available, when Gearies was fully operational and this was more cost effective. The Principal reminded Governors of information that had been circulated by RIAE today to Governors regarding a Webinar looking at the Community Learning budget and how this would serve the community and to anticipate new legislation.

ACTION: Governors approved

- (i) a 1% increase in standard course fees, with a corresponding increase to other charges where appropriate
- (ii) the revised Fees Policy subject to amendments as discussed.

Olive Hamilton- Andrews left the meeting at the end of this item at 7.15pm as arranged.

(b) FINANCE POLICY

Governors considered the Finance Policy that was due for annual renewal. The Policy had been updated to reflect current post titles and responsibilities following the organisational restructure, including two previous posts who were authorised signatories, and a section had been added to cover new procurement processes, including the procurement card as

previously referred to. Governors asked for confirmation in relation to 3.1 of the Policy that related to Governor membership of F&GP and whether this was still relevant and advised that it did not need to change and was in accordance with RIAE Constitution.

ACTION: Governors approved the revised Finance Policy.

(c) PREVENT-REVIEW OF POLICIES

Governors considered the Policy Review to ensure compliance with Counter Terrorism Legislation and the Prevent Duty and was also a reminder of the safeguarding expectations and judgment of Ofsted. The Ofsted Report in July 2016 on how well providers were implementing the new Prevent Duty Review had raised expectations further from September 2016 in terms of implementation of the Prevent Duty and furthermore evaluation of the impact this had on keeping learners safe. Governors referred to the 6 key recommendations for providers.

Governors had previously asked for a list of all RIAE Policies that had been considered by the Governing Body in terms of Prevent compliance under the new legislation and the Principal informed Governors that this had been a huge task but a very valuable process. Governors received and considered the list used by RIAE of Policies, Strategies, Schemes and Frameworks that also identified the cycle of review and approval and found this extremely useful.

The key policies Safeguarding including prevent Policy; Learner Disciplinary Policy; Lettings Policy; IT & Computer Use - Learners; and IT & Computer Use and Social Media – Staff had been thoroughly reviewed and updated prior to September 2015 and a further review of every RIAE policy and scheme had been completed subsequently to ensure fully compliant with the Prevent Duty and British Values in relevant policies and that the raised expectations of Ofsted would also be met in relation to this. Governors noted that some policies, frameworks and strategies needed further additions and these included CPD; Data Protection/Security; Staff Disciplinary; IT & Computer Use Staff; IT & Computer Use Learners; Volunteering; Quality Assurance Framework; Whistleblowing; and Learner Involvement Strategy. Governors also noted that policies needing further review included Equal Opportunities; External Visits; Staff Recruitment; and Sustainability.

The outcome of the review would be used to update the Prevent Duty Risk Assessment and Prevent Duty Action Plan and all policies were to be updated by the relevant manager as soon as possible and by the end of December 2016 at the latest.

Governors thanked the Principal, Assistant Principal Finance & Resources and all staff involved for their hard work with this.

ACTION: Governors to review the

- (i)** Prevent Duty Risk Assessment at the next meeting of the full Governing Body
- (ii)** Cycle of policy review and approval at the next meeting of MOP Committee.

876. DATE AND TIME OF NEXT MEETING

Governors noted that the next meeting of the F&GP Committee was scheduled to be held on:

Tuesday 14 March 2017 at 6.00pm

Meeting closed 7.35pm

Chair.....

Date.....