

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on Tuesday 14 March 2017 at Gearies Centre at 6.00pm.

PRESENT: Margaret Partridge (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.

- 877. APOLOGIES for absence** were received and accepted from Kathleen Atkins (Vice-Chair).
- 878. DECLARATIONS OF INTEREST** – there were none.
- 879. MINUTES of the meeting** held on 24 November 2016 were confirmed and signed by the Chair.
- 880. LEARNING IN MIND PROJECT (Matter Arising: Minute 868 refers)**

Governors were pleased to be updated that Flexible Support funding from the Department of Work and Pensions (DWP), where initially the bid had not been accepted as reported, had finally been approved. The Institute had commenced the project 'Working in Mind' in February 2017 and would support individuals with mental ill health into employment. The DWP funding was still being made direct to LBR with RIAE as the sub-contractor and the Institute had negotiated a nil management fee charged by LBR. Governors commended the project as an important opportunity. Governors referred to the recent Government Budget announcement and its priorities for Adult Skills.

- 881. ADULT SKILLS BUDGET (Matter Arising: Minute 869 refers)**

The Principal updated Governors regarding the Apprenticeship Levy, introduced by the Government in April 2017, and informed that the Institute had submitted a tender as a provider and had been approved. Governors were pleased with this particularly as not every provider had been successfully accepted. The Institute would maintain a visible profile for this provision on line and ensure maintained up to date for employers to see. There had been feedback from LBR on the number of Apprenticeships to take on and local schools appeared to be the main market. Governors referred to the Government priority for Lifelong Learning aim on training for different careers and Governors thought this a potential market area, particularly the 50+ age range. Governors asked for any further information for future funding and the Principal responded that all funding was due to be devolved to the London Mayor from 2019 but still to providers in the meantime. There would be four regional employment and skills sub groups and it was anticipated that they will be influential in submitting local plans to the London Economic Action Partnership (LEAP) for funding to meet sub regional priorities. The structure for this was not yet in place and providers expected to be informed. The Principal reported that funding would be prioritised to most deprived areas in London – in this respect Redbridge could expect to get less funding in future.

882. BUDGET PERFORMANCE TO DATE 2016/17

Governors considered the Budget Position and Year End prediction for 2016/17 and this included the Variance Summary Report January 2017 and the Budget structure Monitoring Report January 2017. As anticipated, there would be a balanced budget for the current year. The financial forecast projected a substantial but exceptional surplus of just over £400,000 at year end. As Governors were aware, this had been achieved by exceptional factors including the large number of vacant posts in 2016/17 that remained unfilled as a result of the organisation restructure April 2016 and substantial savings made in salaries. At least £100,000 would be carried forward to support the operational budget for the next 2 years that included infrastructure expenditure as reported and pending Pay and Grading reviews. The Assistant Principal Finance & Resources (AP) confirmed that the Remuneration Panel had agreed an annual review of pay from September 2017 and 1% had been factored into the budget for this. Before the Pay Award in September 2016 there had been no increase in pay for 3 years and this had resulted in pay not equal with other organisations so would also help the Institute to be competitive with other providers for recruitment in this respect. A transfer into reserves of the remainder would restore the contingency reserve to previous levels and provide resource to support the forthcoming academic review and enable replacement of the IT hardware needed.

Governors noted that funding cuts expected had not materialised, additional unexpected one off funding had been received including £46,155 following a change in the new Adult Education Budget Payment profile; £30,174 from Skills Funding Agency (SFA) growth payment for over performance in 2015/16; and £38,500 in respect of loans bursary funding in 2016/17. Governors noted that the course fee income target would be achieved and that this had been reduced by £80,000 to £320,000 this year as course fee income had not reached its target for a number of years. Governors queried the current ratio of staff expenditure to Income and would like this included in future reporting. The AP responded that staff costs were in the region of 71% against total income and would be confirmed to the full Governing Body at the next meeting in March 2017. The AP informed Governors that if all posts were filled RIAE would not be at the 60% benchmark recommended to Colleges by the FE Commissioner. Governors asked how realistic this was and the AP responded that it was a useful measure but other circumstances would need to be taken into account for each organisation. The Principal commented that the Institute provided lower level and Family Learning provision where class sizes were smaller. In response to Governors, the AP clarified that 'Other Income that had not reached its target for a number of years' related to the targets not achieved previously mainly due to the steady increase of non-fee paying students and now that Governors had agreed to reduce those targets to a realistic level should begin to see an increase in fee income. Governors asked about marketing and that some courses do not have to market particularly in view of Apprenticeships and employers need to widen marketing.

Governors asked whether consideration could be given to a 'bonus system' giving something back as an incentive for staff achieving targets as long as an opportunity and accessible for all staff. The Principal responded that this would need to be considered very carefully particularly with the diverse nature of employment in the Institute and the members of part time staff. The Principal further responded that the Institute was clearly out of step compared to other providers in the comparable rates of pay and had impacted on staff recruitment for the Institute as a consequence. In the circumstances the Principal advised that it would be crucial to

concentrate on recruitment and comparative pay at this stage and then consider a staff recognition scheme that incorporate a bonus system at some point in the future. It would be a significant piece of work and very important to get right. Governors responded that the need for staff motivation schemes may be more pronounced in the future with significant funding changes ahead in that this year additional funding was unexpected and exceptional and major funding changes were expected in the next few years with no guarantees of adult education funds.

Governors asked whether the Marketing budget could be increased in light of the predicted surplus and the AP responded that this could be considered in the current financial position particularly as the Marketing budget had been reduced in the current year as an efficiency measure. Reserves had been set aside for the website and this would also be an investment for marketing. Governors asked if additional budget was needed for CPD and the AP responded that in the current year there was underspend in the CPD budget but was expected to be more fully spent in the next financial year. Staff had really taken efficiency measures seriously and had been very cautious.

Governors commended and thanked the Assistant Principal Finance & Resources and all staff for their hard work including efficiency savings and covering vacancies.

ACTION: Governors

- (i) noted the additional funding received and the surplus funds generated through savings and other budget lines
- (ii) noted that a balanced budget would be recorded at year end
- (iii) authorised the carry forward of any surplus as income in advance to support the 2017/18 budget.

883. FUNDING FORECAST

Governors were informed that the mid-year return had been submitted to the Skills Funding Agency (SFA) together with the required funded value forecast for the full academic year 2016/17. Forecasts were required in March mid-year and July each year. The forecast estimated over-achievement of £109,576 on the core Adult Education Budget and Governors noted that it was unlikely that the delivery target for Apprenticeships would be achieved and in the region of £31,000 would need to be repaid – these figures were comparable with the previous year 2015/16. Governors noted that, although SFA had streamlined into one Adult Skills Budget, the Institute was still required to provide detailed accounts in Adult Skills and Community Learning and other small budgets. Governors noted confidence in achieving funded value target but were aware it was crucial to get forecasting as accurate as possible as if targets were not achieved could have significant financial consequences and the Institute reputation affected as well as clawback. The AP referred to the majority provision for the Institute being Entry and Level 1 but this was the lowest funded value provision and furthermore there were costs for extra support in these areas. As Governors were aware, other measures were in place including maximising class numbers and looking at Disadvantage Uplifts.

Governors discussed possible margins and impact of course varying factors needing to be taken

into account and appreciated the difficulty in getting the balance right for projections that also needed to be based on sound judgement and experience of staff. The AP informed Governors that as well as the risk of clawback in this respect the Institute would lose funding on Apprenticeship underperformance and, although SFA had been notified of this, clawback was still expected and had been built into the budget.

Governors congratulated the Assistant Principal Finance & Resources and team for the funded value forecasting.

ACTION: Governors noted the Funded Value Forecast.

884. DRAFT BUDGET 2017/18

Governors considered the draft budget for 2017/18 that, as expected, included a transfer of income in advance from 2016/17 to ensure sufficient funds to meet costs. Governors noted the positive impact of the restructure and efficiency savings implemented in response to the business case presented in November 2015 that had enabled a budget to be set in line with funding and income expectations.

Governors noted that the funding allocation from SFA was not yet confirmed but had been based on the same level of funding last year as no change was expected and also the same profile anticipated. The AP confirmed that the Salaries budget included all actual staff in posts and other budgets had very few controllable lines. A balanced budget was projected and Governors noted the amount of income £59,585 needed to be carried forward to set a balanced budget although this was a smaller sum than needed compared to previous years.

Governors commended the Assistant Principal Finance & Resources for the budget planning.

ACTION: Governors

- (i) noted the positive income of the budget for 2017/18 of financial measures taken as part of the restructure
- (ii) approved the draft budget 2017/18.

885. PREVENT DUTY RISK ASSESSMENT REVIEW

Governors considered the outcome of the review of elements of the Prevent Duty Risk Assessment as at March 2017 including E-safety; information sharing protocols; policies and procedures; and teaching, learning & assessment. Providers were expected to evaluate the impact of the steps that had been taken to meet the Prevent Duty. Governors had asked for an update on Prevent Duty and the Principal summarised how well the Institute was complying, implementing and the impact. Governors noted the review of risks undertaken as a result of self-assessment of 2015/16 performance and other factors including the Ofsted survey of providers and new guidance out at the beginning of the year. The Principal informed Governors that feedback from the HMI Deputy Director FE & Skills from a special session held for Heads of Adult

Community Learning on going from good to outstanding. This had been frank and honest in what was expected and so a very productive session. In response to this the Institute was now evaluating the impact of steps taken and focusing on implementation. Governors asked how this could be judged and the Principal responded that this would be mainly by speaking with learners to identify whether confident in their responses, including British Values, how embedded in the curriculum and how learners were influenced by this. Governors were aware that a review of all policies had taken place and the Principal confirmed that all policies were being reviewed again in this light to ensure right.

Governors discussed the identified evidence and RAG rating in the Review of Elements and the significant work that has had impact looking at weaknesses. Governors questioned the element of Partnership and that the Safeguarding Adviser was currently working on setting up Data Sharing Protocols with the Redbridge Safeguarding Adults & Protection Service. The Principal explained that the Data Sharing Protocol must be in place to be an outstanding provider and the difficulty for the Institute had been in contacting the local Redbridge Group but continued to work on this. Governors questioned reasons for this and the Principal explained that a group was needed including all other agencies, police and the Local Authority Police Prevent Lead and although contact was maintained with the Council a Local Group contact had not been made. The Local Authority Governor would inform the Principal of a Council contact to try and progress this further. The Curriculum Manager PCDL, Health & Wellbeing was due to meet with LBR soon and would also be following this up. The Institute was expected to know local issues in relation to the 'Prevent Agenda', what the Institute needed to do and who to report to and it was crucial that progress was made with the local link. Governors questioned other areas to work on and referred to staff training and missed opportunities in some lessons due either to lack of planning and/or lack of tutor confidence and informed that these were being addressed through self-assessment and the QIP's for 2016/17. Governors asked of progress regarding risk assessment for fund raising activities needing to be reviewed to ensure all activities approved and the Principal responded that this was currently being addressed. Governors raised issue with online safety online and that system to alert to serious attempted breaches of the policy were not in place and noted that a report from IT Services had been commissioned and recommendations to be considered by SLT and the Governing Body. Governors asked how the Institute was informed of attempts to break the firewall and the Principal responded that software for this was being looked at and expected to be included in the report from IT Services. The Principal confirmed that Wi Fi was covered and had the same level of filtering as all other systems. Governors had previously questioned use in the Learning Resource Centre and were pleased to be informed that access now was only by individual login.

The Principal informed Governors of 'Channel' that was a programme for working with those at risk with radicalisation. A Critical Incident Policy for RIAE was being considered so clear about information and process in this respect should there be an incident and this would be reported back to Governors.

ACTION: Governors to receive

- (i) an impact report at the next meeting of F&GP
- (ii) a report back on Critical Incident planning and process.

**886. HEALTH & SAFETY REPORT INCLUDING ACCIDENTS & INCIDENTS –
NOVEMBER 2016 TO FEBRUARY 2017**

Governors were informed that since the last report there had been 4 incidents and no accidents. In response to Governors, it was confirmed that 3 of the incidents involved the same learner. Fire evacuation had been carried out in December 2016. Health & Safety checklists for external venues were still incomplete due to delays in the process with communication difficulties with Children’s Centres and Libraries. There was adequate first aid cover. Refresher first aid training would be carried out in May 2017 for those needing to renew their certification. All risk assessments in teaching rooms and offices at Gearies would be reviewed and updated by the end of March 2017 and most of the external venues had been completed although those for Libraries and Children’s Centres were still outstanding. Governors noted that H&S Induction Training had taken place with new staff.

Governors were updated that further improvements were being made to continued safety of the car park, including new signage. The Facilities Team had carried out a survey to establish issues with usage, to get feedback to monitor issues and to inform any improvements needed, including better car flow. New car park management control had been put on hold for the time being. A further report back to Governors would be made.

ACTION: Governors noted

- (i) accidents and incidents.
- (ii) actions taken

887. DATE AND TIME OF NEXT MEETING

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

Wednesday 21 June 2017 at 6.00pm

Meeting closed 7.45pm

Chair.....

Date.....