

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on Wednesday 21 June 2017 at Gearies Centre at 6.00pm.

PRESENT: Margaret Partridge (Chair), Joni Cunningham,
David O'Donoghue and Mo Rahee.

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

888. APOLOGIES for absence were received and accepted from Kathleen Atkins (Vice-Chair),
Deanna Clarke and Councillor Joyce Ryan.

889. DECLARATIONS OF INTEREST – there were none.

890. MINUTES of the meeting held on 14 March 2017 were confirmed and signed by the Chair.

891. PREVENT DUTY RISK ASSESSMENT REVIEW (Matter Arising: Minute 885 refers)

Governors were to receive an impact report following consideration of the review at the last meeting of F&GP and a report back on Critical Incident planning and process (minute 896 refers).

892. BUDGET 2016/17 – YEAR END

Governors considered the Financial Year End position for 2016/17, including Budget Variances report for 2016/17, and surplus of £11,514 that was the net residual figure after £110,000 income in advance was carried forward to 2017/18 and £271,929 was transferred to reserves. £30,000 was needed to balance the 2017/18 budget. The large operational gains of £354,316 achieved this year were exceptional, as previously discussed, and resulted mainly from the short term impact of the restructure implemented in April 2016. There had been funding pressures from under performance in ESOL mandated and Apprenticeship delivery in 2015/16 that resulted in a clawback of funding by the Skills Funding Agency (now ESFA) in 2016/17 but these had been recovered by an in year transfer from reserves and balances from over performance in other funded areas. The savings made in 2016/17 enabled in year withdrawal from reserves to be reversed and a further £180,000 added to the contingency and repairs and renewals reserves. In response to Governors, the Assistant Principal confirmed that the £180,000 was an estimated figure to cover need and brought the internal reserves up to £600,000. It was also confirmed that the reserves retained in the Local Authority account on behalf of the Institute of £25,467 (£13,953 from 2015/16 and £11,514 year end 2016/17) were to meet any subsequent recharges after year end and to keep a balance that indicated financial robustness for the Institute. The Year End Operational balance resulted in £393,443 and this was close to the balance predicted in March 2017. Governors discussed clawback of funding and asked whether there would be any potential clawback this year. The Assistant Principal responded that there was a potential problem that was being reported to Governors (minute 893 refers) and this related to the previous year as did all ESFA funding clawback and always a risk going forward. The Principal reported that the apprenticeship funding was additional funding received as a

result of a bid for growth based on employer engagement feedback. The subsequent shortfall in recruitment against growth would result in clawback. ESOL mandated provision took an exceptional in year cut in September 2015. As a general rule clawback could be anticipated and forecast.

ACTION: Governors confirmed and agreed the final year end accounts for 2016/17.

893. BUDGET 2017/18

Governors had considered the draft budget for 2017/18 at the last meeting of F&GP and now considered the formal budget 2017/18 for final approval. Governors reiterated that the restructure and efficiency savings, implemented in response to the business case presented in November 2015, had enabled a balanced budget for 2017/18 without demands on reserves or income carried forward from the previous year. Governors considered that operational budget pressure items would be met from in year gains and savings and the cost of the proposed academic pay and grading review, as agreed by Governors in March 2017, was estimated to be £27,304 for this financial year and would be met from income carried forward. It was confirmed that the total cost of pay and grading proposals would be £160,427 over a 3 year period. This cost would be met from savings accrued in reserves but Governors would need to plan for the corresponding increase in budget of £91,251 by the end of the 3 year period.

Governors noted that funding allocations for 2017/18 had been confirmed at the same levels as last year and the draft budget had assumed the same level of funding from ESFA. Funding forecasts for the remainder of the current academic year indicated ability to retain an additional £21,475 of funding income that had not been built into the budget. This income was in relation to Apprenticeships, 16-18 year olds and the historic area uplift compensation for Level 3 learners and would be a gain. Governors noted a reduction in anticipated expenditure of £8,110 for utilities and community learning teaching and the formal budget had been revised in this respect. Governors noted the net effect of revisions to the draft 2017/18 budget amounted to a reduction of £29,585 and reduced the reliance on income in advance to £30,000 (£9,585 forecast in the draft budget). Governors again questioned the stability of ESFA funding and reassured by the Assistant Principal that funding had been confirmed for 2017/18 and that the next 2 years should be stable but with major changes in funding expected from 2019 it was not clear what to predict after this time. Furthermore the London Area Review recommendations also included efficiency measures and different models of shared delivery and services so further impact to consider in the future but uncertain at this stage.

Governors were informed that some in year gains were expected including balances from vacant posts and some gain from the Mental Health Pilot. Also fee income was rising and could anticipate that this would continue next year. Balances carried forward would cover any pay award and increments as agreed for the current year and the following financial year.

Governors discussed the possible pressures and possible gains in 2017/18. In terms of Budget performance to date after 2 months into the new financial year there were no significant variations to consider and Governors expected budget performance for 2017/18 to be strong.

Governors thanked and commended the Assistant Principal Finance & Resources and staff for the budget planning and projections. Confidential item continued on page 7.

ACTION: Governors
Approved the budget for 2017/18

894. FUNDED VALUE 2016/17 RECOVERY PLAN

Governors had expected an adult skills programme delivery as submitted to Skills Funding Agency (ESFA) in February 2017 but were informed that the latest Individual Learner Record (ILR) to ESFA at the end of May 2017 indicated an unexpected drop in the Institute utilising the funded value of grant for adult skills delivery whereby the risk of clawback by ESFA and possible rebasing when the 2018/19 allocations were calculated. Latest forecast for achievement (£956,145) was 95.6% of the funding target of £1,005,812. Governors considered the risk that this exposed the Institute to. This had also been raised and discussed at MOP. Governors recognised the risk of variance as Adult Skills funding was based on funded value and different qualifications resulted in different funded value. The current ESFA performance management rules allow for recovery of funds for underperformance but do not have a specified tolerance level (SFA previously had 3% tolerance level). In response to Governors, the Principal explained further regarding the 3% tolerance level and that although not specified would be used as a yardstick for the current year and that the Institute would be busy in July this year increasing provision to improve the funded value position.

Governors discussed a mixture of reasons for the drop in funded value forecast including class size ratio and insufficient monitoring and risk assessment of the impact of curriculum changes on the funded value for the planned academic year programme.

Governors noted that the MIS team had established that across all courses there were 91 potential places that had not been filled. Also this had impacted on courses where they had to be cancelled due to places not being filled. The Principal explained that Curriculum Managers had focused more intently on curriculum impact and not funding and more work was needed with CM's to consider both. The Principal was looking at this very closely and although a certain amount of variance could be expected it was crucial to have a more accurate forecast in February as this would be the basis of predictions for the academic year end and future base for funding. Transfer of learners on Functional Skills provision had also impacted on funding. Governors were also informed of 'Ghost Courses' where GCSE courses had closed and functional skills courses opened but due to paperwork timing had also impacted on the funding forecast.

Governors agreed that a robust system was needed to track implications of changes to curriculum plans and in year changes to the offer on funding and that responsibility for this analysis and monitoring was not clear in the organisation restructure and needed to be reviewed. In the past there had been a combined examinations and MIS manager post and this role had reduced the risk. The Principal reported that software tools were being reviewed for more regular tracking of funded value and next academic year these would be used to inform SLT with monthly reports. Also a KPI for funded value targets was essential for 2017/18.

The Recovery Plan was in place and measures, including offering additional courses to support in year progression and other planned additional provision for the summer term, were anticipated

to come closer to 99% of the funded value target. The Principal would update Governors at the meeting of the full Governing Body in July 2017.

ACTION: Governors to receive a progress report on the Recovery Plan at the full Governing Body meeting in July 2017 together with an updated risk register.

895. POLICIES

(a) Car Park & Parking

Governors considered renewal of the Car Park & Parking Policy including minor operational changes proposed to allow for flexibility in the appointment of a suitable car park management company but with no change to the rules and use of the car park.

Governors were informed that 10 learners had taken advantage of the learner permits in 2016/17 and income taken from parking charges amounted to £9,876 whereby net income after the cost of cashier collection was £8,156 and the income from parking charges was used for car park improvements. The Principal reported that other options for car park management companies were being looked at as the current services were not fully suitable.

ACTION: Governors approved the renewal of the Car Park & Parking Policy as proposed.

(b) CCTV

Governors considered renewal of the CCTV Protocol and Procedure and there were no changes proposed. Governors were informed that since January 2016 there were only 2 instances when images had to be viewed on the CCTV system. The system could have been useful to resolve issues in the car park but cameras did not cover that area. There were 12 internal CCTV cameras in Gearies and research was currently in place for improvement and include external cameras such as in the car park. Governors suggested getting quotes for extending the CCTV to the car park. The Assistant Principal explained the background to the CCTV system in that LBR originally sponsored the system and all costs within their support contract but subsequently became the responsibility of the Institute who inherited the support contract. This had been some years ago and expected that current costs may now be more cost effective and the Assistant Principal would look at this further. Governors had previously raised concerns about open access and security of the building and informed that this would be given further consideration in the new Critical Incident Plan.

ACTION: Governors approved the renewal of the CCTV protocol and procedure.

896. CRITICAL INCIDENT PLANNING AND PROCESS

Governors considered the Critical Incident Management Plan that had taken account of previous guidance, also concerns raised such as cyber security and for a more robust plan and process identifying roles, responsibilities and lines of communication. A Critical Incident Plan had been circulated to staff last year to raise awareness for themselves and others and guidance given to managers and staff on their roles, responsibilities and expectations. Governors commended the presentation of the Draft Critical Incident Management Plan in booklet format and the importance of this as a working document that could adapt to change and evolve over time. The first meeting of the Critical Incident Management Team, as identified in the Plan, was due to be held before the end of this academic year and would consider how to implement the Plan across the service.

Governors raised the issue of Business Continuity for further consideration and suggested desk exercise to work through scenarios. The Principal informed Governors that consideration had been given including lock down policy that had been followed up with the ETF Prevent Adviser and the DfFE Prevent Adviser for feedback on procedure and process and what happens in other FE establishments. Governors suggested contacting LBR and possibly the Red Cross for information regarding policy and procedure in this respect. The Principal had been led to understand that a command to lock down to be given by the Police.

In response to Governors, the Principal would consider implications for Mildmay Centre and as a managed building would check with Vision and their risk assessment.

ACTION: Governors approved the Critical Incident Management Plan
Governors requested safety information for Mildmay Centre, a Vision managed building

897. HEALTH & SAFETY REPORT INCLUDING ACCIDENTS & INCIDENTS – FEBRUARY 2017 to JUNE 2017

Governors were informed that since the last report there had been 2 incidents and 2 accidents. One of the accidents and one of the incidents were at Gearies Centre and all deemed to be unpreventable. Governors asked for more information regarding the accident involving a volunteer who sustained a nasty cut above her eyebrow due to an open window at Gearies. The Principal explained that the area was not a designated walkway and she was walking abreast with other individuals. Measures had been put in place as added precautions and Governors further suggested using planters or pots to prevent people using as a walkway even though notices and other information may be displayed and that this may also be something that could be done by the Gardening Project. Governors and the Principal were impressed with staff in their rapid and caring response in dealing with this and Governors thanked all staff concerned.

Fire alarm and extinguisher service had been carried out and further improvements had been made to the car park. Health & Safety checklists for external venues were still incomplete due to

communication difficulties with Children’s Centres and Libraries delaying the process. Further First Aid training had taken place for 5 members of staff

ACTION: Governors noted

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

898. DATE AND TIME OF NEXT MEETING

Governors noted that future meetings of the F&GP Committee would be scheduled for the year at the next meeting of the full Governing Body in July 2017.

Meeting closed 7.00pm

Chair.....

Date.....