

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held at 6.00pm on Wednesday 20 June 2018 at Gearies Centre

PRESENT: Margaret Partridge (Chair), Deanna Clarke,
Joni Cunningham, Mo Rahee and Councillor Joyce Ryan.

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

922. APOLOGIES for absence were received and accepted from Kathleen Atkins (Vice-Chair) and David O'Donoghue.

923. DECLARATIONS OF INTEREST – there were none.

924. MINUTES of the meeting held on 7 March 2018 were confirmed and signed by the Chair.

925. HEALTH & SAFETY REPORT (Matter Arising: minute 919 refers)

In response to Governors, the Principal confirmed that site plans for remodelling the building had not yet been received by the Institute and that the work was not expected to be completed until September 2019 but funds were in hand. A report would be made to Governors as soon as the costed proposal for remodelling of building had been received.

926. BUDGET 2017/18 YEAR END

Governors discussed the Budget Variance report and Year End Accounts for the financial year end 2017/18. Governors noted the Budget for Variances 2017/18 was set out differently to show gains during the year, in year budget pressures and planned expenditure showing remaining balances. The outcome was as predicted for March 2018 resulting in a very strong financial performance in 2017/18 with net gains of £254,460 achieved during the year, internal reserves of £150,000 and £80,000 of additional income to carry forward to support the 2018/19 budget and the year-end balance of £24,460 transferred into reserves held at the Local Authority. Total internal reserves totalled £750,000 represented 34% of the current funding grant and provided contingency funds necessary for moving into the uncertainty of Skills Funding devolution. Governors noted the operational performance in relation to Salaries, Other Expenditure and Fee Income. Salaries covered costs of the Pay & Grading review mainly due to unfilled posts/vacancies and extra teaching costs were covered by savings. Other Expenditure had some small additional costs including marketing for the Spring Prospectus but this had resulted in increased enrolments and additional income. The BMF Fund had accumulated balances with unspent funds that would meet the costs of future planned remodelling of the building. Other works undertaken were noted such as restricting access to corridors and as identified positively by the Ofsted Inspection. Governors noted the increased fee income which was a reversal of the trend of several previous years of fee income going down. Governors asked reasons for this going up and informed that more learners

were paying fees; there were increased numbers of learners such as those on art programmes where learners were paying more and with less concessions; the loan allocation had been exceeded resulting in increased growth. Governors noted project gains based on 2 large projects that had also enabled smartboard replacements so that those costs had not impacted on reserves. Governors noted the success of projects LIM and Speaking English with Confidence where high quality learning and outputs had been achieved and able to effectively use resources. Governors congratulated all concerned on the inspiring achievements.

ACTION: Governors confirmed the final year end accounts for 2017/18

927. BUDGET 2018/19

Governors had considered and approved a draft budget in March 2018 and now considered the revised budget that took into account the actual year end position 2017/18 and the additional course fee income that was carried forward. This had resulted in an increase of the initial overall budget by £80,000 and enabled £57,000 to be added to the contracts budget for year 1 estimated costs and expected to cover; £15,000 to the Discretionary Learner Support Fund (DLSF) as there was an increasing demand for this; and £5,560 to CPD that would cover essential training. Governors noted that funding allocations had been confirmed at the same levels as last year. Governors considered salaries, other budget lines and budget performance in 2018/19. The Budget had grown, including salaries as expected, but Governors were aware of maintaining balances going forward and the financial position following 2017/18 was strong to move forward on. Governors also considered a new management information system needed, as previously discussed, and following considerable research into options a new system 'ProSolution' was recommended including estimated costs.

The target for course fee and student loan income had increased by £78,000 in line with the current year's performance and this was offset by the DLSF. However this could be affected by recent changes in funding rules allowing employed learners on low incomes to receive free tuition for adult skills courses that could be as much as £40,000 but was difficult to estimate the loss in income as data was not collected for these individuals. This did not affect community learning fee income that continued in an upward trend. The Principal informed that greater take up could be anticipated because of eligibility and there could be decreased costs, increased class size and this could offset loss of course fee income. Governors asked how an individual would be informed of free courses and the Principal responded, in relation to Adult Skills courses, information would be given during enrolment interviews but this would be monitored.

The Academic Management budget had been increased by £38,000 (7%) to cover the cost of the Pay & Grading Review in 2018/19 and incremental progression for those not on the top of their scale as agreed. The Teaching budget had been increased by £70,000 (10%) to cover the cost of the Pay & Grading review in 2018/19 and additional resource in line with this year's outturn to ensure adequate provision to meet funded value target and Governors recalled overspend in last year's budget but noted the more accurate outcome this year. The National Pay Award had

already been agreed for Business Support Staff based on a 2 year agreement and would not be a great budget pressure for the Institute as the relevant number of staff was low, were part time staff and already included in the budget. Governors noted that card payments exceeded cash payments for the Institute resulting in increased card charges but confirmed these costs had been built into the budget.

Governors noted that gains from the Working in Mind (WIM) project were expected to reach £36,000 and additional funds were expected from smaller projects. The Principal informed of another bid in progress, awaiting confirmation, regarding Learn My Way funding, via the Good Things Foundation, and a good outcome was expected as an existing provider who over achieved and that this could result in some growth.

Governors discussed the purchase of a new MIS system to replace the existing management information system AQUA that was due to cease from April 2019 as the company was no longer supporting the product that was needed to produce funding returns. The Assistant Principal Finance & Resources informed Governors that extensive research had been undertaken by the Institute into several systems and 3 had been shortlisted within the tendering process as others had not been appropriate. The 3 had been considered in great depth and in consultation with other providers already using those systems comparing the best options for the Institute. Although the final 3 were strong contenders there was 1 of the 3 most appropriate and best fit to the needs of the Institute to produce reports needed and to cope with needs of the Institute learners. All 3 had been impressive but ProSolution was considered the best including their support, as identified with other organisations, meeting Institute needs and detailed reporting needs as far as the Institute was concerned. Initial costs had been quoted, and it could be possible to negotiate on these, although a lot of costs related to licensing as the company would be host and deal with upgrades. Governors referred to the good and valuable relationship built up with Redbridge College in moving forward with this. Also, a small company 'Edugo' was already supporting the exam database and was currently working with ProSolution to progress. Governors asked when the system would be in place and informed that time was needed to maintain integrity of data but installation of the new system was being planned to take place during the autumn term 2018 and to run parallel with migration of data. The current contract with AQUA was up to March 2019 and their support should continue until then by which time the GLA data collection requirements should be known.

Governors thanked the Assistant Principal Finance & Resources and the team for the very thorough research and assessment undertaken as far as they could possibly go for what would be a big change.

A declaration of interest had been made by the Principal in the earlier meeting.

Staffing Committee, held prior to the meeting of F&GP, had considered a proposal to give a one off award payment to each member of staff following the successful Outstanding Ofsted Inspection and to recognise the hard work and dedication of staff and had recommended this to F&GP for consideration and final approval by the full Governing Body. Governors discussed this and an appropriate amount to pay each member of staff. Governors agreed that an award

payment of £250 should be made to each and every staff member that would be an overall cost in the region of £32,000.

ACTION: Governors

- (i) approved the Budget for 2018/19
- (ii) approved the purchase of ProSolution as a replacement MIS system
- (iii) recommended approval of an award payment of £250 to each and every member of staff at the Institute as a one off payment in recognition of their work and successful outcome of the Outstanding Ofsted Inspection to be recommended to the full Governing Body for approval. The Clerk to the Governing Body would email other members of the Governing Body to seek their approval for a decision to be made at the end of the next 7 days so that staff could be informed as soon as possible and arrangements made with payroll at the earliest opportunity.

928. ADULT EDUCATION BUDGET ALLOCATION FOR 2019 TO 2020

Governors received and discussed information from the Education and Skills Funding Agency relating to Redbridge Adult Education Budget Grant allocation for 2019 to 2020. Governors were aware of the background to this but was now interesting to note that, going forward from 2019, half of the AEB budget would be administered centrally by ESFA and the other half by the GLA and MCA's (Mayoral Combined Authorities). The GLA/MCA's would set out funding rules for their devolved AEB in their local skills plans and priorities and these would be published later this year. This was unknown territory countrywide, complicated for providers, and important to note that legal entitlement was to be honoured such as GCSE English and Maths courses. Governors noted the level of funding could be different and the funded value could become different between different MAC's so unable to predict future grant funding and this was a business risk. Governors were informed that London was pushing hard for Apprenticeships and Traineeships but the Institute currently only had one apprenticeship and this may have been completed by that time.

The Principal informed that the GLA had been extremely positive with the Institute and other providers seeking to understand implications and receptive to getting the model right and taking on board feedback from providers. Governors agreed it was good timing to achieve an Outstanding Ofsted Inspection outcome and would expect that future arrangements would want the Institute to go forward on this. The new arrangements were committed to a first year of not destabilising the sector and similar budget levels maintained for 2019/20 but beyond this uncertain of the outcome in relation to outer London learners arrangements, as discussed. Providers wanting to deliver to learners resident in several areas with the devolved AEB as well as residents in non-devolved areas would need to manage multiple relationships and contracts in 2019/20, meaning that as far as the Institute was concerned devolved funding was only for those learners in London so outside areas would have to pay the Institute for their residents who were learners at the Institute and there was uncertainty in how this money would be collected and paid to the relevant provider.

Governors noted that funding forecasts would be based on 2016/17 performance and the Institute would start modelling this year so that in December 2018 this year's figures would be maximised as far as possible in September 2018 for the autumn term 2018.

ACTION: Governors

- (i) noted the implications of devolution on funding of learners resident in non-devolved areas
- (ii) receive a report on impact once modelling has been completed.

929. POLICIES

- (a) IT Use: Staff** – Governors considered the policy due for renewal. This was previously revised in March 2017 to include references to the new Prevent Duty. A new protocol had since been introduced at the Institute for monitoring internet usage to further comply with Prevent Duty and this had already been added to the Learner IT Use policy and included in Staff IT Use policy; and the section on Data Protection was revised to comply with new General Data Protection Regulations (GDPR). Governors noted improved IT for Learners last term. Governors questioned the section 'Monitoring Learner Usage of the Teacher Network Protocol' in relation to members of staff authorised to view the logs and suggested roles instead of named persons and the Principal advised that this was done purposefully so clearly identifying each person with authority so very clear to staff and clear for any disciplinary action that may need to be taken.

ACTION: Governors approved renewal of the Staff IT Use Policy.

- (b) Discretionary Learner Support and Bursary** – Governors considered the policy due for renewal and noted recommended changes to reflect new roles and responsibilities. It was also noted that in the academic year 2017/18 to date 71 learners had benefitted from the Discretionary Learner Support Fund and 1 learner had taken up a Level 3 bursary.

ACTION: Governors approved renewal of the Discretionary Learner Support Fund & Bursary policy.

930. HEALTH & SAFETY REPORT

Governors discussed the accidents and incidents reported during March 2018 and May 2018 and informed that there had been 3 accidents and 1 incident in this period and there were none reported from the out centres. Governors considered Fire Safety follow up actions taken since the last report; Car Park Safety; IT and Internet Safety; and Security including new site works and access controls. The Principal advised that all risk assessments within the teaching rooms and offices at Gearies would be updated over July 2018 when teaching had finished at the end of term and external venue risk assessments were being updated ready for the new academic year. Governors were informed of H&S training that had taken place including H&S Induction training for new staff, refresher first aid training in April 2018 as planned, and Safeguarding training with additional places planned.

Governors noted there were no issues in relation to the car park. Governors asked about the member of staff with a minor injury to her finger cut on a folder and whether so minor needed to be reported and the Principal confirmed that all accidents and incidents were recorded even though may seem trivial.

Governors thanked the Facilities Manager, and particularly as mentioned in the Ofsted Report which was not a usual occurrence.

ACTION: Governors noted the Health & Safety Report.
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931. DATE AND TIME OF NEXT MEETING

Governors noted that future meetings of F&GP Committee for the following year would be scheduled at the next meeting of the full Governing Body in July 2018.

Meeting closed 7.40pm

Chair.....

Date.....