

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held at 6.00pm on Wednesday 21 November 2018 at Gearies Centre

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, Finance & Staffing Manager (in attendance up to minute 938), Janis Lane, Clerk to the Governors.

932. APOLOGIES for absence had been received in advance from Kathleen Atkins (Vice-Chair) due to being on vacation and were accepted. Margaret Partridge gave apologies for having to leave the meeting from minute 938 due to another engagement.

933. DECLARATIONS OF INTEREST – there were none.

934. ANNUAL ELECTION OF CHAIR AND VICE-CHAIR OF F&GP COMMITTEE

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

ACTION: Margaret Partridge was appointed as Chair of F&GP Committee and Kathleen Atkins appointed as Vice-Chair of F&GP Committee, subject to her acceptance.

935. F&GP COMMITTEE TERMS OF REFERENCE REVIEW

Governors considered the Terms of Reference for F&GP Committee due for annual review. There was a recommendation for change in relation to the delegated activity 'to ensure that all financial controls etc.' whereby deletion of 'and enable satisfactory completion of the SFA Financial Management and Control Evaluation Report' was replaced by 'receiving an annual financial control report at the end of the budget year'. Governors were updated that ESFA had recently issued another financial assessment process and the Principal and Finance & Staffing Manager would use the new pro forma to inform the Institute's Financial Controls Report and Governors would be kept informed of the progress. Governors considered whether the Chair/Vice-Chair of the Committee should make a short verbal report on committee recommendations to the full Governing Body at the next meeting.

ACTION: Governors

(i) reviewed the Terms of Reference for the F&GP Committee and agreed that there would be an amendment to the financial control reporting delegated activity as proposed.

(ii) agreed that the proposal for Chair/Vice-Chair of the Committee to make a short verbal report to the Governing Body on committee recommendations should be considered further at the next meeting of the full Governing Body in December 2018.

936. MINUTES of the meeting held on 20 June 2018 were confirmed and signed by the Chair.

937. BUDGET 2018/19 PERFORMANCE TO DATE

Governors discussed the 6 month budget performance to date and confirmation that a balanced budget was forecast for the year. As expected, the projection indicated a smaller surplus this financial year whereby there would be insufficient balances to carry forward to support the 2019/20 budget but Governors were aware that reserves, currently £750,000, had been accumulated in anticipation of this budget pressure. Governors noted that of the reserves contingency reserves of £500,000 represented 23% of funded value (strategic plan target was 5%). Governors reflected that there had been 3 previous strong budgeting years with major organisational restructuring in 2016/17 and savings on vacancies together with some unplanned income. The previous costs of the Pay & Grading Review undertaken last year had been contained within operational performance but since then income had not increased to the anticipated level and mainly due to the changes in government funding, as discussed by Governors in September 2018, where learners on low income were not having to pay course fees and the loss of funding for the Institute was estimated at £36,000 to date. In response to Governors, it was confirmed that the funding implications for future devolution were not yet known including growth funding.

Governors discussed other pressures and key expenditure items, including pay awards for both academic staff and business support staff together with funds to cover the final phase of the Pay and Grading Review although as Governors had been previously advised, the increased baseline for salaries would put pressure on future years; business support staffing costs for pay award of 2% instead of 1%; additional costs of building structure changes for the security review; purchase of new MIS software; major IT upgrade needed for the admin network; replacement product for dyslexia and skills testing; SENCO costs as awarding bodies now required a Special Educational Needs Co-ordinator qualified to Level 7 to authorise special consideration for learners with additional support needs and the Institute did not have such a person; the largest pressure emerging was the increased costs of teaching and based on current trend could anticipate an overspend of £80,000 year end. It was confirmed to Governors that this was being investigated but mainly due to increased costs from individual tutors increase in number of hours paid for assessments and interviews and costs from additional courses planned to meet funding targets teaching larger number of hours each week; higher employer on costs due to many more tutors now enrolled in the teachers' pension scheme with possibly a 7% increase from September 2019; and payments made to tutors for cancelled courses, as previously considered. Payment had also been made to staff as agreed by Governors for the 'Ofsted Bonus' although this had been met from salary savings as agreed. Governors were also informed of new emerging budget pressure of exam costs.

Governors noted gains from 2 externally funded contracts, in addition to those from smaller projects already built into the budget, and these included Working in Mind (£33,500) and Good Things Foundation (£16,500) and that these could be used to offset the anticipated overspend in staff costs as discussed. Governors were concerned of the loss of income due to funding changes as fee income for the Institute had been ahead of profile and would have expected this trend to continue and, although the funded value would help, understood there would be no additional funding paid to the Institute to compensate for the loss in fee income and that this was likely to increase and have a major impact on the budget position. Governors discussed the variance report

as at 30 September 2018 to highlight changes between the gains and losses and also to bear in mind that project gains were getting smaller.

Governors discussed future budget considerations and available resources. This included a short term proposal in the 2019/20 operational budget recommending a transfer from the contingency reserve before year end to cover the year 1 installation and implementation costs already incurred for the new MIS software and this would result in carry forward to next year to support the staffing pressures. Also a transfer from Repair & Renewals Reserves in 2019/20 to support the IT upgrades. Governors were informed that major works for remodelling the site for security review and improvement would be kept to a minimum until further consideration in 2020/21 and essential cost and requirements kept within BMF available resources. Also for the longer term the Institute would need to undertake a strategic review of the budget position over the next few months and review expenditure. It was noted there were two potential areas for growth: (i) Level 3 loan provision and (ii) increasing the Institute's funded value in 2018/19 to achieve a growth payment in January 2020.

Governors asked of any further areas where savings could be considered although realised that at least 80% of total expenditure was for established staffing costs. In response, the Finance & Staffing Manager responded that controllable budget lines were already modest although continually reviewed as Governors were aware. Furthermore there could be some savings from a review of the exams staffing structure following the retirement of the Exam & Assessment Manager as reported at Staffing Committee. Savings were also anticipated from the Data Protection post needed to meet GDPR requirements where it had been appropriate to assign the responsibilities and duties to the Assistant Principal Quality & Student Services rather than a new appointment. In response to Governors it was confirmed that the post had been advertised but not been possible to recruit. Governors recognised that there could be scope for reviewing some tasks and duties for efficient working but would want to ensure that this did not impact on staff morale which was high. There was some potential for efficiency savings in procurement such as 'Gateway' and this was being reviewed. Evening opening times, currently 3, was another area for saving but would need to be considered fully if reducing to 2 evenings. In response to Governors it was confirmed that lettings and charges were reviewed regularly and there could be scope to promote further although the premises was used a lot by the Institute. Governors agreed and suggested having 2 duty staff rather than 1 although the Principal informed that it was difficult to get adequate and appropriate staff cover for lettings. Governors asked of the current ratio of payroll costs compared to overall income and informed about 80% so not much change but compared with College providers the Institute had significantly more part time courses so a large amount of administration and related costs as Governors were aware.

Governors referred again to future funding changes with GLA and devolution as were concerned of the huge uncertainty at this stage. The Principal responded that indications were that funding would be constant in the first year of devolution but unknown in terms of over performance and also funding in relation to 'Out of London' learners. Governors were also concerned about the costs of cancellation of courses, the impact and how this could be improved. The Principal responded that this continued to be difficult to predict but managers were always trying to improve giving notice periods, to make early decisions to avoid the costs alongside the impact of staff changes and curriculum changes. It was noted that the 2nd level teaching assistant course had not been filled this year and affected progress for Level 3 courses. Governors thought there was

greater staff awareness including impact and financial implications. It was noted that the Spring Prospectus would be ready shortly and the main planning for 2019/20 would take place in February 2019 for the next academic year. Governors asked of areas for improvement in respect of Level 3 provision and successful recruitment of Level 3 learners. The Principal reflected for Governors that previous Level 3 funding had been lost due to introduction of the Student Loans scheme for L3 courses. The Level 3 offer had grown last year and could improve this year. It was also an area that could allow the Institute to grow possibly as a top up through the loan process. It was anticipated that with two Level 2 programmes running there should be a large enough cohort, with some external enrolments, for progression to Level 3. Governors asked if there was potential for a link of Level 3 and UEL and whether this would support growth. The Principal responded that UEL was keen to work with the Institute to build higher level work. As reported to Governors at the meeting of MOP, UEL were giving awards to the top grade GCSE learners and this took place last Monday evening. This included a presentation by 2 UEL staff who gave the awards and talked with learners looking to recruit to UEL programmes so providing clear progression. Governors wondered whether the Institute would lose learners as a result but informed that with clear progression was expected to boost Institute enrolments in lower level courses where learners would be able to see a clear progression route. In response to Governors the Principal confirmed that the link with UEL was being publicised.

Governors asked of arrangements with caterers at Gearies and informed that the new provider was still trying to improve their service and as reported to Governors had been difficult for the providers including less demand on Saturday and Governors agreed would want to continue for the Saturday learners. The Principal reported that a user survey on the Café service was underway.

Governors considered an outstanding instalment payment of £484 regarding one learner to be written off and praised this as a high achievement for having a relatively small amount outstanding for the Institute.

ACTION: Governors

- (i) noted that a balanced budget was forecast for 2018/19
- (ii) approved a transfer from internal reserves to provide adequate balances to carry forward to support the 2019/20 budget
- (iii) agreed to write off outstanding instalment debts of £484.

938. HEALTH & SAFETY ACCIDENTS & INCIDENTS REPORT

Governors discussed the accidents and incidents reported during May 2018 to November 2018 that included 2 accidents and 3 incidents at Gearies. It was confirmed to Governors that the report of a member of staff was a one off incident due to vertigo. Governors also noted that, in relation to the incident reported concerning a learner with a heart condition and taken to hospital, further guidance was being sought from St. John Ambulance whether to have a defibrillator on site. In response to Governors it was further confirmed that learners were expected to disclose if they suffer from epilepsy but was not a requirement (or ESFA requirement) to disclose other conditions unless an individual chose to and there were high level requirements for storing medical data. There were no reports at the out centres.

Governors further considered Fire Safety follow up actions taken since the last report that included both sets of fire doors at the far end of the building adjacent to CDT & Art room that had been fitted with alarms that trigger when doors were opened; the fire alarm system had been serviced in May 2018; and fire safety training for Duty Managers had taken place. Governors noted that there had been few issues with the car park and users had changed behaviour whereby no longer causing obstructions. In terms of IT and Internet Safety Governors were informed that there had been problems with the internet at Mildmay Centre that was impacting on the learner, particularly as Digital Skills courses were held there. The Facilities Manager was looking at options with Vision and LBR for a replacement line that was not sufficient for the number of users. The connection was currently via LBR. Governors questioned whether there would be any financial contribution for a new line that was likely to cost in the region of £4,000 and informed that funding was not anticipated. Governors questioned whether there was a timeframe to resolve this bearing in mind the impact on learners and informed that this was being pursued as a matter of urgency. Governors also noted that the admin network and current servers were scheduled to be updated during the summer 2019 and plans were being considered to minimise disruption as this was a major project. A report with costings and timelines was anticipated over the next few weeks.

The Principal advised that all risk assessments in teaching rooms and offices at Gearies Learning Centre had been updated and needed to be reviewed next term for external venues also lone risk assessment had been revised for offices along the far corridor. Governors noted that, in relation to security, the access control system had been installed to both north and south corridors; all learners had ID cards; and a meeting had taken place with the architect to consider low cost options for remodelling the reception area and main entrance keeping costs low as discussed previously in the budget report.

Governors were informed of H&S training that had taken place including additional training to ensure sufficient first aid cover; H&S induction training for new staff, Fire Marshall Training for Duty Managers; manual handling; high ladder training (legal requirement) for the Facilities team scheduled for November/December 2018 and safeguarding training with further dates planned.

ACTION: Governors noted the Health & Safety Report.
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939. POLICIES

(a) FEES POLICY 2018/19

Governors considered changes to the Fees Policy due for annual review together with the scale of charges for the next academic year. SLT, after full consideration, had recommended an increase of 2.4% in standard course fees and a corresponding increase in other fees and charges to be introduced for 2019/20. Governors reflected that fee increases over the last 3 years had not impacted on enrolments although the numbers of learners entitled to 'free' or heavily subsidised provision had risen due to changes in government funding regulations and this impacted adversely on fee income that had been identified as a loss of £49,600. Governors were updated that from 2019 the GLA was expected to change the earning threshold for those with income lower than the London Living Wage so this would entitle even more students and create an even greater budget pressure for the Institute. Overall fee income at the start of the year was only 1.95% ahead of the

same period last year when there was a 24% increase. Governors were concerned but did not want to destabilise learners by increasing fees too high and considered that the recommended increases would not do this. Governors asked of comparison of fees being charged by other Hoxex partners and the Principal responded that not all participated and some Councils subsidised their providers and it was difficult to compare like with like when the Institute relied on its own funding without top up from the Council and still maintaining fees without being too expensive for students.

Governors noted changes needed to the policy that included revised wording in anticipation of funding devolution and noted that future rewording may also be needed; and reference to the Pound Plus strategy as although already in place was not referenced in the policy. Governors were disappointed to hear that the 'early bird' discount that had been agreed as a simple price incentive for 2018/19 had been introduced but not successful due to confusion and some complaints from learners so this would not continue and managers would look at other ways of promoting courses.

In response to Governors, the Principal gave further explanation of the inclusion in the revised policy in section 1.1 (page 2) that in addition to course fees the Institute would determine measures to increase the value of funding received for community learning and that this was in line with the Pound Plus concept and indicators and measures would be outlined in the Community Learning strategy. In relation to section 1.6 Lettings Charges 'Partnership Hire Charges' Governors asked for further clarification of this and 'partners'. Governors were referred to the Letting Charges Annex 2 to the policy and that this related mainly to community use and partners such as those the Institute may be working with on a joint project and that there was some allowance made for small or community organisations and they would not be charged the commercial rate. Governors thought there was scope to review and increase the Public & Commercial Hire charges as in comparison with other organisations they looked quite low. The Principal would take this into consideration and was also looking at ways to maximise use of current spaces and accommodation particularly at times when not usually being used.

ACTION: Governors

- (i) approved a 2.4% increase in standard course fees, with a corresponding increase in other charges where appropriate
- (ii) approved the revised Fees Policy

(b) FINANCE POLICY

Governors considered changes to the Finance Policy due for annual renewal and that there were no significant changes but revisions were needed to reflect changes in roles and responsibilities, funding devolution and to include reference to the Pound Plus strategy.

ACTION: Governors approved the revised Finance Policy.

(c) DATA PROTECTION POLICY

Governors considered the amendment required to the Data Protection & Data Security Policy to comply with Government guidance following the introduction of the General Data Protection

Regulations 2016 (GDPR) on the handling of Disclosure & Barring Service applications and certificates. Governors asked for more information regarding section 11.1 of the policy in relation to the note indicating that public authorities, including the police, must provide justification before data was released and that if the Institute was not satisfied a court order would need to be provided. The Principal explained that she would take legal advice if this situation arose. In relation to section 13, the Principal clarified that the Assistant Principal Quality & Student Services had taken on the responsibility of the Data Protection Officer (DPO) as a mandatory duty for a public body and GDPR compliance and that was a matter of interpretation of the compliance requirement for an independent DPO. The Assistant Principal was in a good position to take on the role fulfilling the requirements and Governors were in agreement with this.

ACTION: Governors approved the revised Data Protection and Data Security policy.

(d) CCTV POLICY

Governors were informed that a policy statement was required to cover the introduction of access cards by way of learner photo ID cards and that as the management, controls and oversight of this new system were very similar to those in place for CCTV, the current CCTV policy had been extended and revised to include the use of access cards.

ACTION: Governors approved the revised policy and renamed as the CCTV and Access Card policy.

(e) ASSESSMENT & INTERNAL QUALITY ASSURANCE POLICY

The policy was not available at the meeting and was deferred for the full Governing Body to consider at the meeting in December 2018.

ACTION: Governors to consider at the next meeting of the full Governing Body.

(f) EXTERNAL VISITS POLICY

Governors considered the policy due for annual renewal and noted that the main changes included sections on the responsibilities of curriculum managers, health & safety co-ordinator and senior managers; and reference that use of personal photographic images was covered by the GDPR and the privacy notice and photograph consent form had to be used and in compliance with GDPR requirements. Governors asked for more information regarding the recommended staff/volunteers: student ratio and informed that the ration would be considered for each and every visit and would depend on the type of visit and learners involved (age, disability) so would be too restrictive and prescriptive to have a set ratio. Governors recognised the amount of work and responsibility involved with visits but there was tremendous value for the learner and Institute visits had increased significantly over the last year as planned.

ACTION: Governors approved the revised External Visits policy.

940. DATE AND TIME OF NEXT MEETING

Governors noted that the next meeting of F&GP Committee was scheduled for

Wednesday 13 March 2019 at 6.00pm

Meeting closed 7.30pm

Chair.....

Date.....