

FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of the meeting held at 6.00pm on Wednesday 19 June 2019 at Gearies Centre

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

Also in attendance: Gill Hails, Finance & Staffing Manager
Janis Lane, Clerk to Governors.

951. APOLOGIES for absence were received and accepted from Olive Hamilton-Andrews.

952. DECLARATIONS OF INTEREST – there were none.

952. MINUTES of the meeting held on 13 March 2019 were confirmed and signed by the Chair.

953. BUDGET 2018/19 YEAR END FORECAST & PERFORMANCE (Matter Arising: minute 944 refers)

In response to Governors, the Principal confirmed loss of income for lettings as the Business Enterprise Partnership was not hiring the premises as a sub-contractor for the Health & Work programme as they no longer had a contract and the new contractor Maximus was not funded for accommodation use for outreach advisers under the new DWP contract.

954. PREVENT DUTY RISK ASSESSMENT (Matter Arising: minute 946 refers)

Governors noted that the planned work to upgrade the CCTV and installation of an intercom system in classrooms was on schedule and due for completion ready for September 2019.

955. HEALTH & SAFETY (Matter Arising: minute 947 refers)

It was confirmed that a further request to the Local Authority had been made for a defibrillator but not received; and First Aid trainer had confirmed that blood pressure checking was not within the remit of First Aiders.

956. DISABILITY STATEMENT POLICY (Matter Arising: minute 948a refers)

The Principal confirmed that the feedback from Governors for a focus in the policy on mental health as well as physical disability had been actioned and included in the policy. Governors had previously approved the Disability Statement Policy, subject to inclusion of the points they raised, and would like to receive a copy of the final revised version.

ACTION: Governors to receive the final revised version of the Disability Statement Policy.

957. GLA FUNDING (Matter Arising: minute 949 refers)

Governors were updated on the current position of GLA funding and informed that ESOL for Work, a large project sum of £10m over 4 years and divided across the Local London Bid that had not been successful. The outcome of any of the bids had not yet been publicised by the GLA but known to the Principal and awaiting confirmation. Governors asked reasons for the outcome and the Principal explained that there was strong competition and more specifically there were other factors where the Institute had limited involvement in preparation of the bid. Gaps in detail and information from other providers and sub-contractors who were other parties in the bid meant the bid lacked the technical specification. The Principal had not seen a copy of the whole bid at any time and therefore was not able to pick up on any issues or missing information in time. Governors were very disappointed with the outcome. Another funding stream that had not emerged was Parental Employment (Lot 2 of the GLA ESF funding) as the specification had been withdrawn and not yet reissued. Governors hoped this opportunity for funding would be reissued as would be specific to the Institute and of great benefit. Governors noted that City Lit was lead on another bid for ESOL practitioners and the Institute one of the sub-contractors but the outcome had not yet been published.

958. YEAR END ACCOUNTS 2018/19

Governors considered the year end accounts 2018/19 for approval. Governors noted the year-end balance before transfers and adjustments was £152,656 and that a further £50,000 had been transferred into the accounts from reserves so that £190,000 was carried forward as income in advance to support the 2019/20 budget leaving £12,656 as the balance at the Local Authority. Governors discussed the operational detail of savings and underspends overall total £149,142; pressures and overspends overall total £163,468; and the resulting operational loss of £14,326.

Governors noted the outturn was better than forecast in March 2019 and was mainly due to a final surge of enrolments and course fee income that reached the income target but there were still increasing budget pressures of salaries and rising costs and final balances had only been achieved by an unexpected growth payment from ESFA (£66,250), project surpluses and transfer from reserves, otherwise there would have been a small operational loss. Governors questioned whether there should be any contingency to meet any future operational loss and informed that at this stage the operational loss was small and the new growth payment received and project surpluses had helped keep the loss low. Similar funding and project surpluses had been received in the past and different opportunities may continue but Governors were mindful of the volatility of funding and other pressures that this would need to be maintained under caution and given further consideration.

Governors noted reserves of £700,000; Building Maintenance Fund £143,851; and £12,656 with the Local Authority. It was noted that up to £60,000 would be required to meet the costs of the IT Network upgrade. Governors questioned whether the level of reserves needed to be considered when taking into account the KPI that set a Reserve target of 5%. The Finance & Staffing

Manager responded that there was no specified limit and the target was a good guide to maintain the level of reserves and wouldn't recommend increasing this but there were other significant factors to take into consideration. Governors emphasised that while the Institute's current financial position was strong the Institute, with a devolved budget and not within the Local Authority accounts, was more vulnerable and volatile with any cuts in funding, the uncertainty of new funding changes and having to meet other costs such as redundancy.

Governors were aware of the pressures from increased staffing costs, particularly the increased costs of employer's pension contributions this year; other additional expenditure on teaching and learning support staff budgets; increasing exam costs; and rising costs of other expenditure. Governors acknowledged that these would have to be reviewed and monitored even more closely and asked what more could be done. Governors were informed that a lot of investigation and analysis had been undertaken in respect of the overspend on the teaching staff budget last year and some spend had been unavoidable such as cover for staff absences. Some areas had lacked scrutiny of operations mainly in IAG particularly in relation to enrolment. Where the cost of interview plans had not included a consideration of staffing costs. Assistant Principal Adult Skills has been asked to review this area to ensure more efficient and effective planning such as reduced number of openings in the evening and maximising sessions when building is open. Other actions were being taken to address this where planning and authorising these sessions would be at manager level and allocation of tutor hours agreed at the planning stage.

The other area of overspend had been in relation to Learning Support where the number of LSA's had doubled in the classroom as there were an increasing number of learners needing support and costs needed to be forecast. Additional Learning Support since February 2019 had not been included in the previous funded value forecast, as reported to MOP, that could have gained further funding.

Measures were being put in place including cancellation of one off classes such as some of the adult skills summer classes; increasing vigilance of senior staff; and new software that would help to forecast more efficiently to ensure that delivery is kept within funded value target with a modest margin for overperformance.

The Finance & Staffing Manager informed that it would be advisable for a financial audit to be undertaken as one had not been carried out recently and she had pursued with the Local Authority but not yet had a response.

The Principal informed Governors of the Local Authority's plans to set up a company for traded services and procurement across the Borough that could be bought into. The LA was due to hold a meeting shortly for interested parties to attend and discuss further with Legal Services. The Principal reminded Governors that the Institute was currently recharged by the LA for various services. Governors noted the proposal and awaited more information but needed to be clear of the arrangements and financial/legal implications. The Principal would report back to Governors with further information.

Governors thanked the Finance & Staffing Manager for her work and also the staff team.

ACTION: Governors approved the Final Year End accounts for 2018/19.

959. BUDGET 2019/20

Governors considered the revised Budget 2019/20 for formal approval to be confirmed at the summer term meeting of the full Governing Body. Governors noted that the revised budget was £10,000 less than the draft budget agreed in March 2019, following adjustments and transfers, with slightly more funding but close to forecast. Governors noted that the expenditure budget included sufficient to cover already agreed pay awards and upgrades but did not include allowance for the significant increase in employer pension contributions that could result in additional cost in the region of £95,000 per year and was a major impact on the budget. DfE had informed that they would meet the cost in the first year but the Institute would have to build into future budgets. Governors noted the 3 year budget summary from 2017/18 and how salaries had grown, mainly pay and grading salary costs, and how vital it would be to work on other funding streams and allocations.

Governors were informed of the Council's plans to go cashless including car parking and other form of cash handling. Governors noted that after 31 July 2019 there would be no further cash collection by the Local Authority and for which there had been no charge to the Institute. Following this proposed change, SLT had considered the option of operating a 'No Cash' policy in the Institute car park and for other income receipts and research with learners was in progress to assess the impact if introduced at the Institute. Governors asked of the impact for learners and the Finance & Staffing Manager informed that a survey was being carried out with learners to assess the effects of cashless payments and to date only 2% of those responded said this would be a problem and ways around this were being looked at. The biggest problem anticipated was in relation to car parking receipts and needed to identify options and would try to maintain the cash facility for this if possible. Governors asked of the impact for LDD learners and informed that this had not been identified as a problem and many LDD learners may not pay as on non-fee paying courses but the Finance & Staffing Manager would look at this further alongside the survey including an Equalities Impact Assessment. Governors considered application for use of a debit card by the Institute to facilitate internet purchases.

In view of the pressures on expenditure and funding implications, Governors asked when and what more robust action would need to be considered. The Principal responded that although the Institute had diversified funding for some time, changes in Government funding on which the Institute depended as a result of devolution of the AEB report meant other sources of funding were likely to be vital in the future. Currently, the Ministry of Housing funding contract was only for this financial year and if not extended alternative sources of funding would be needed otherwise downsizing would have to be considered; Learn My Way was a hugely beneficial project but future funding was dependant on the Department of Culture, Media and Sport; Digital Inclusion funding was trailing off although anticipated more on the horizon such as Essential Digital Skills. Other areas to continue focus on was constantly reviewing staffing costs including

where there were staff changes, the need to use IT more and in more advantageous ways and moving to on line enrolments. Governors suggested looking at the viability of other options such as registering as a charity or company limited by guarantee. The Principal responded that due to the way the Institute was funded working alongside other organisations such as Vision would be pursued as a more viable option at this stage. There may also be options through the Council's company scheme.

ACTION: Governors

- (i) approved the final budget for 2019/20
- (ii) to give further consideration to proposals for 'coinless operation'
- (iii) approved the application for a debit card that was signed by the Chair of Governors and Secretary (Clerk to Governors).

960. AEB GRANT FUNDING 2019/20

Governors noted the allocations of funding in 2019/20 for London Residents £2,249,796; Advanced Learner Loans £133,957; and grant funding for out of London learners £68,578 (this was based on learners in 2017/18). Also noted that subcontractor plans would have to be approved by the GLA and to be submitted by the end of June 2019. The GLA would apply a 97% tolerance for underperformance and no tolerance for over performance and if this happened the GLA would realign the grant allocation accordingly. Governors noted that the Local London bid for GLA AEB ESF funding had not been successful. The GLA would not pay for any over achievement in 2018/19 but the Institute would be able to bid from the new Innovation Fund that providers could bid for in the autumn term. Governors further noted that the GLA intended to replace the ESFA minimum standards document to be replaced with new methodology.

Governors noted that in relation to monitoring of performance the Institute would have a dedicated GLA Provider Manager for contact and quarterly meetings and that performance would be monitored through funding claims, Ofsted grades, minimum standards and achievement rates, financial health and management, and previous delivery against the grant agreement. Governors asked about dedicated Provider Manager contact and informed that a team of 3 people had already visited 3 times, they were very interested and keen, had been on Learning Walks and were coming into the Showcase session next week. The Principal had attended an inception meeting in City Hall that intended to bring everyone together and so all very positive.

There would be no ESFA over performance growth funding as the GLA was introducing the Innovation Fund Overachievement in 2019 would stand in good staid but the bid would be based on GLA priorities and would be looking for a business case doing innovative work to bring in priority learners. Governors suggested follow up for other opportunities with the Local Authority Officer dealing with gang violence initiatives and the Principal explained that for Institute provision this would have to tie in with learning for a funded project but she would look into this further. Advanced Learner Loans last year had met the full allocation.

ACTION: Governors noted the new arrangements for the devolved AEB budget for 2019/20

961. HEALTH & SAFETY ACCIDENTS & INCIDENTS REPORT

Governors discussed the accidents and incidents reported during March 2019 to June 2019 that included 2 accidents and 1 incident at Gearies. Governors were concerned about the learner who had fallen as she had failed to put the break on her walker and informed that this was an elderly learner and follow up had ensured this would not be repeated. Governors were very concerned of the Jewellery tutor who was using a small hand held torch that malfunctioned and singed her hair. Governors were informed that this had been reviewed satisfactorily.

Governors noted fire safety actions taken since the last report that included fire alarm system service; fire drill carried out in April 2019 that highlighted replacement of 1 alarm point; and a fire risk assessment that was good overall and a few action points some already completed. All risk assessments in teaching rooms and offices at Gearies were in the process of being updated and subject specific risk assessments would be updated ready for September 2019. The Fire Safety Inspection was due and a report would be made to Governors at the next meeting of F&GP and this would include a Fire Risk Action Plan

Governors discussed other areas of Car Park Safety; IT & Internet Safety including updates on new Firewall security, the Impero software that was working well, the roll out of the new MIS system, and plans to upgrade the admin network to windows 10; and Security where the new CCTV system was due to be installed during the summer break. Met Police advice on strategic siting of the CCTV cameras had been taken into account. Governors noted that a decision needed to be made on the responsibility to broadcast messages on the PA system and how this would be done and to ensure the PA system could be heard in all mobile classrooms. Governors asked whether problems could be anticipated with increased use of the car park by parents of Gearies School pupils once the school building extension had been completed. This was not expected as the car park had improved with the more rigorous control but would be monitored. The Principal advised of Local Authority plans to close roads outside some of the Borough schools to stop access by vehicles and, although Gearies was not one of the schools to date, would be a major problem for the Institute and learners if this was to be introduced around the Institute.

Governors were informed of H&S training that had taken place including H&S induction for new staff and first aid cover and Safeguarding training undertaken with additional dates planned.

ACTION: Governors
(i) noted the Health & Safety Report.
(ii) to receive a progress report on Fire Risk Assessment action plan at the next F&GP meeting.

962. DATE AND TIME OF NEXT MEETING

Governors noted that meetings of the F&GP Committee for the next academic year would be agreed at the full Governing Body meeting in July 2019.

Meeting closed 7.30pm

Chair.....

Date.....