



MINUTES

of the meeting of the Finance and Employment Committee held on Wednesday 26 June 2019

Present: - Mr James Caird (Chair)
Mr Igor Andronov
Ms Becky Payne
Mr Ian Peake (Principal)

In Attendance: - Mr Edward Gwillim (Director of Finance)
Mrs Debra Baldwin (Director of Personnel)
Mrs Jo Ricketts (Deputy Principal)
Mrs Linda Watkins (Clerk to the Corporation)

The meeting was quorate as four Members were present. The Chair welcomed Becky Payne to the Committee.

	Action
<p>1. Apologies for Absence No apologies.</p>	
<p>2. Declaration of Interests No interests declared.</p>	
<p>3. Minutes of the last Meeting The Chair signed the minutes of the meeting held on 10 April 2019 as a true and accurate record. There were no matters arising.</p>	
<p>4. Employment Reports The Director of Personnel presented the following reports: -</p> <ul style="list-style-type: none">I. Health and Safety Report<ul style="list-style-type: none">a. This had been prepared jointly by the Health and Safety Advisors at HLC and NSC. Incident reporting was separate for each College recording 38 incidents at HLC with one RIDDOR, and 31 incidents at NSC with one RIDDOR. From August 2019 there will be a single system with standardised reporting to record incidents. The Health and Safety Advisor will support Team Leaders at NSC in an attempt to reduce incidents; this had been undertaken at HLC previously. Accidents at HLC have decreased during the year following the highest number of accidents at the start of the academic year. The option to use a rolling 12-month profile to show accidents in future was suggested.b. First aid training has been provided with adequate	

first aiders at each site. Fire warden training will be provided.

- c. A health surveillance programme will be delivered in July to ensure statutory checks are completed at Hereford Campus and Holme Lacy Campus. This will be arranged for NSC.
- d. The Chair asked about hazardous substances and gas cylinder registers with confirmation that the register is maintained and updated regularly. The College has a COSHH policy. There was another question about radioactive materials and if these are included; this is maintained at Ludlow College which would be reported in the next health and safety report.
- e. Environmental monitoring for noise, dust and fume monitoring has been arranged for the autumn.

D Baldwin

II. Staff Report

- a. Staff development arranged for July was noted including behaviour management training for teaching staff. A Governor asked about progress of MyConcern training which was up to date; training has been arranged for NSC as MyConcern will go live on 1 August.
- b. The payroll and HR system will move to ADP iHCM as opposed to separate systems. The cost of systems used previously had been considered which was balanced against the cost of the new system. A Governor commented to be mindful that Herefordshire and Shropshire use different tax offices.
- c. The national minimum wage had been introduced which had increased from April 2019.
- d. The staff budget for the next academic year is being finalised.
- e. Changes to legislation required reporting hours in employers' payslips which had been implemented.

The Committee agreed: -

- To note the reports

5. Finance Reports

The Director of Finance presented the following reports: -

- I. Draft College Budget 2019/20 and Financial Forecast
The budget setting process used the Curriculum Resource Model (CRM) to calculate costs for all course. Using estimates of student enrolments, the model determines group sizes, guided learning hours and staffing for each course to give course contributions. The Board is required to approve the budget for submission to ESFA by 31 July 2019.

Specific assumptions were outlined: -

16-19 allocation for the year is forecast at £12M based on

demographics. Student financial support totalled c£494K with some high needs funding which would be allocated to support students.

The Adult Education Budget (AEB), which includes Adult Community Learning (ACL), totalled £3.4M. There was a reduction to the AEB of £830K. The College has not achieved the AEB budget for several years which limits the impact of this reduction. A proposed reduction in sub contracting (which incurs 74% costs) to absorb the remaining income shortfall of c£440K would mean that the overall net reduction to the College's I&E would be forecast at £114K.

Apprenticeship income was received from 22 different funding streams in 2018/19. Further analysis will be undertaken; it was anticipated income will remain at the same level. A Governor asked if apprenticeship standards are in place noting that assessment plans are required in some areas to enable to the College to transition to the standards.

Substantive pay costs are expected to increase-by 9.5%; however, NSC costs were only incorporated for nine months in the previous year. Teachers' Pension Scheme employer costs will increase by a total of £400K; confirmation had been received that this will be funded next year.

The long term redevelopment strategy for Pound Farm had not been realised. Options and timescales will be discussed further with agents. Holme Lacy Campus redevelopment will be funded by the LEP in the region of £1.2M with c£400K funding required by the College. This could be funded with cash or the sale of some assets.

A pay award of 1% was allocated in the budget from August 2019.

Based on income and expenditure the Director of Finance anticipated that the College would break-even in 2019/20 which included some of the TU funding.

- II. Management Accounts to 30 April 2019
The final surplus for year to date is £1,547K as opposed to a deficit of £1,547K. AEB projected to be marginally below budget at the year-end. Apprenticeship income is expected to be below budget.

Other grant income is significantly over budget due to the TU funding received. Other income generating income and miscellaneous income combined are below budget. The year-end stock check at Walford College could impact on the former. Pay costs are £58K below budget taking account of the NSC budget and restructuring. Non pay costs are £1,201k over budget year to date due to the

merger costs which were not included in the budget. These costs are more than offset by the TU funding received.

Overall it is anticipated the College will achieve a small operating surplus of £6K significantly better compared to budget by £1,702K.

The LGPS is operating at a deficit of £209K.

The FE Commissioner had recommended 2-year cash flow forecasts. The balance sheet and cash days remained healthy with 55 days in hand.

A definition of contribution by faculties and total budgeted income would be added to the management accounts in future.

E Gwillim

III. Capital projects update

The library system was being updated and the new finance and MIS systems in preparation to use from August. Networks are being moved to the JISC network. Walford College capital projects include the refectory, Collins building and paths to ensure DDA compliance.

IV. Financial Regulations

The significant change was to increase the threshold for three written quotations for services and building contracts from £10-100K and requirement to obtain three tenders for any in excess of £100K.

V. Dairy Group Consultant's Report: Walford Farm

The executive summary confirmed that the farm had sustained significant losses with some poor animal welfare practices. The next step would be to formulate plans taking account of the report and that it is a teaching farm. Further investment would be required to increase the herd to 200 cows.

The Committee agreed: -

- To note the paper regarding the draft budget 2019/20 and 2 year financial forecast. If necessary, the budget would be approved by special resolution
- To note management accounts to 30 April 2019
- To note the capital projects update
- To recommend the Board approve the Financial Regulations
- To note Dairy Group Consultants report

6. Annual items for Committee

The Committee agreed: -

- To appoint James Caird as Chair of the Committee for 2019/20
- The Committee self assessed its performance and agreed that it was effective and adequately met the requirements of its terms of reference
- The Clerk would review the terms of reference.

7. Any other business and comments

No items

8. Date and time of next meeting

The next meeting was arranged for Wednesday 27 November 2019 commencing at 12.30 pm.

Signed as a true record of proceedings

Chair: **Date:**.....