



Confirmed Minutes

Present: Mr J Dawson (Chair), Ms J Pryce, Mr P Cropper and Ms T Wright
(attendance 80%)

In attendance: Mr A Shaw and Mr M Hirst (for item 4 only)

Clerk: Mrs C Coupland

1. Apologies for Absence/ Declaration of Interest

Apologies were received by Ms A Williams

There were no declarations of interest recorded.

2. Minutes from Meeting held on 19 June 2017

Resolved:

- That the minutes be accepted as a correct record

3. Matters arising

Fees and Charges Policy:

As reported at the Corporation meeting on 12th October 2017 – the Search and Governance Committee are to undertake a cost-benefit analysis on e-governance.

4. Health & Safety Annual Report

Mr Hirst presented the annual H&S report for year end 31 July 2017.

The Governors noted that the increase in accidents reported up to July 2017 reflected the rigorous reporting and assessments introduced since 2015/16 and the increased number of first aid responders now available in the different areas of the campus. The committee asked for the changes in practice to be reflected within the report to offer an explanation as to the sharp rise of college incidents. Governors were also satisfied that there had been no reportable instances under RIDDOR during 2016/17. Three safeguarding referrals have however been made between March 2017 and July 2017 after disclosure to the First Aider.

Members acknowledged that the College continues to invest in health and safety as evidenced by the updates included within the report and the accident analysis. Assurance was also provided within Mr Hirst's report on the level and type of staff training undertaken throughout the academic year. Fire evacuations have also taken place during September 2017 – feedback from the evacuation has been absorbed and the fire evacuation plan has been updated. None fire evacuations and lock in practices are already scheduled for the college calendar to build upon staff training and student briefings. Pod casts of the different alarm and siren sounds are also available on Moodle.

The Committee noted that 124 organised trips took place last academic year. Members asked to be alerted as to when the senior leadership team had undertaken a review of all relevant policies and procedures relating to trips and visits in order to remain assured that risk assessments continue to be effective and in line with best practice given the recent regional and national events.

Mr Hirst informed the committee that summer works at the college had been significantly delayed by the accidental disturbance of asbestos. Upon immediate notification of the accident, the college sealed the area, engaged with relevant contractors to undertake and implement a full risk assessment and when safe to do so undertook a three phase clean of the affected areas. The HSE was also notified. Mr Hirst confirmed to the Committee that the College's Disaster Recovery plan was successfully implemented on this occasion with little impact on the students' college experience. The committee wished to record their thanks to the Estates Team.

Ms Wright took this opportunity to share her concerns from today after observing the sheer volume of students leaving the college campus at lunch time due to the changed timetable. It was agreed that road safety is possibly being compromised for HNC students (and SNHS pupils) given the high level of traffic and limited crossing patrols. It was agreed that it would be useful for Kirklees Highways to again reassess the effectiveness of the local infrastructure. Mr Hirst agreed to contact Kirklees Highways.

Resolved:

- **That the report be received**
- **To record the committees thanks to the Estate Team**
- **For Mr Hirst to contact Kirklees Highway**

Mr Hirst left the meeting at this point.

5. Year End Management Accounts – July 2017

Mr Shaw presented the management accounts for July 2017, the final month of the 2016-17 financial year, which will form the basis of the annual financial statements.

It was noted that the latest forecast cash as at July 2017 of £2,725k, was being £517k above the budget. This is £230k higher than reported at the last meeting. The major reasons for the above budget position are mainly due to similar surplus (ignoring cash and one-off items) unspent contingencies and timing differences on Capital projects. As referred to in the September 2017 management accounts, the underlying cash position would be £170k higher as at July 2016 than shown in the forecast for 2017-19, but with the one off unexpected asbestos cost of £94k would be £76k higher.

The Income and Expenditure account shows the out-turn deficit of £318k. However this has been adversely affected by £261k of uncontrollable non-cash costs mainly associated with the WYPF pension scheme (for the 91 support staff members). In addition, without the one-off £94k premises cost, the surplus would have been £37k. The Committee was satisfied by this explanation. Members also noted that the WYPF non-cash effects are added back when assessing financial health and therefore the college will continue to be assessed as just 'outstanding' financial health with a score of 260.

Resolved:

- **That the report be received**

6. Management Accounts – September 2017

Mr Shaw presented the management accounts to September 2017.

The Committee was advised that all current targets are expected to be at least met by July 2018 and that the latest forecast cash position as at July 2018 of £2,270k is £1k slightly above the budget. Variances from the budget of £2,269k were considered by members, these were:

- the £160k extra underlying position as at 31 July 2017,
- less £94k to pay for the unexpected asbestos work in Summer 2017
- less the extra £30k for extra transport shuttle services to Huddersfield town centre and an extra 7 days of student contact days for 2017-18.
- Less an extra £35k of property strategy costs set aside for the current year.

The Committee was also informed that the Income and Expenditure account shows that the operating surplus is expected to be £63k, being £30k below the budget of £93k, at the moment, due to the extra transport costs as above.

Mr Shaw confirmed that the main ESFA funded student number (2350), maybe exceeded by 50 by the Day 42 census date. This could generate an extra £213k of lagged funding for 2018-19. In addition, the expected number of level 5 students of 25 may be exceeded. The extra 6 students to 31, could generate an extra £29k from UCLAN. Total income could be £144k with a cash surplus of £4k after an initial capital outlay of £61k. For the second year in 2018-19 this could generate up to £240k of income. Members were also informed that the Retention factor from 2016-17 may also generate an extra £18k in funding for 2018-19. However, as noted with the 2017-18 funding allocation, Maths & English uplift funding is likely to decrease by a further £41k for 2018-19.

The Committee was advised that the contingency summary shows £278k still remaining. Two staff are currently on long term sickness absence. In addition, £265k has been put on one side for potential property developments, including expansion of Science, Sport and Health & Social Care departments, possible merging of Art & Design departments, re-use of the existing Design area, and alternative uses of the modular building. An updated estates strategy is to be initiated from October 2017 and discussed at the March 2018 F&R meeting.

Mr Shaw informed members that the extra 50 16-18 students have been able to be staffed within the agreed staffing budget of £7912k. Within this there is still the 1% pay award assumption from 1 September 2017. Any recommended increase in award would cost an extra £75k per extra 1%. Unions are currently pushing for at least a 2% (cost £150k) pay award. Any increases are obviously consolidated year on year, and with the continuing trend of the last 6 years of no increases in funding rates, the committee recognises that these are becoming more and more challenging to absorb.

Mr Shaw reminded the committee that as mentioned at a previous meeting, there are still other cost increases due in the next few years in relation to staffing. For example, the Teachers Pension Scheme is being re-assessed for April 2019. The current employer contribution rate of 16.48% is likely to increase to between 18 and 19%, adding a further £60k - £100k cost per year for the College.

Within the budget for this year, there was an allowance of £12k for repayment of some of the strike day deductions to staff over the last 6 years, following a European court ruling over deduction methodology advised by the SFCA. Claims from staff are expected over the next few months and will be re-imbursed through payroll.

Mr Shaw also confirmed to members that the draft forecast 2018-2020 will be formulated based on Day 42 student numbers, the £4000 per student, the retention factor, and other ESFA funding factors. Members acknowledged that other non-staff costs, continue to increase, with inflation currently at 2.9%. Fixed energy and printing prices remain till July 2019, but other costs continue to increase. For example insurance premium tax rose from 4% to 12%, adding £3k to the insurance budget and rate re-assessments increased the rates budget by 10% to £52k.

The College also still pays over £300k per year in VAT. Any future academisation, would force the crystallisation of the existing £1.35million of college loans at an estimated cost of £1673k. A new alternative loan may be achieved with annual repayments of about £212k, being £25k more than the existing £187k. There are also the obvious other considerations of academisation, as discussed back in September 2016, together with some other initial and ongoing potential costs. Treat in isolation, £300k per year could absorb 2 years-worth of 2% pay awards, for example. The committee agreed it necessary for the college to continue to oppose the VAT payments.

Resolved:

- **That the report be received**
- **For Mr Shaw to draft 2018-20 financial forecast, based on Day 42 2017-18 actual student numbers when this is realised.**

7. EFA Conditions of Funding.

Mr Shaw presented to the Committee the conditions of funding agreement for 2017 – 18 between the college and the secretary of state for education. The ESFA Conditions of Funding set out the terms and

conditions by which the ESFA funds Services in Sixth Form Colleges and is referred to in, and form an Appendix to the College's own Financial Regulations. Members noted that the Conditions are updated annually and released in the summer, thus are not available to discuss at the same time as the updated Financial Regulations in June.

Resolved:

- **To receive the report**
- **For the report to be made available to all governors via Moodle**

8. Any other Business.

Date of next meeting:

The Clerk asked the Committee to note that the next meeting is to take place on 28th November 2017 rather than 27th November 2017. The change in date has been necessary due to the college being closed on 27th for staff wellbeing day.

9. Learner Impact Reflection

The impact of discussions and scrutiny of the Committee's work in improving the outcomes and experience for all learners was considered and the following agreed:

- Ensuring the health and safety of all learners and their activities and environments.
- Ability to financially support all elements of the strategic plan for the college.
- Ensuring the Financial viability of the college to continue to provide outstanding outcomes and learning experiences for future students.
- Listening and responding to the Student Voice to ensure the continuous and ongoing improvement of the college
- Assurance that the college remains compliant to the conditions of the Funding Agreement and that the colleges funds are used appropriately to benefit all learners.

10. Determination of confidentiality

No items were deemed confidential.

11. Date of next meeting: Tuesday 28th November 2017 from 5pm (to be joined by Audit Committee at 6.00pm)