

**HERTFORD REGIONAL COLLEGE
RESOURCES & GP COMMITTEE**

10th March 2017

**Members Present; Warren Gordon (Chair)
Tony Medhurst (Principal)
Jo Howell
Mike Carver**

**In Attendance; Andrew Clare (Dep. Principal Finance & Resources)
Karen Fleet (Director of HR)
John Fowl (Clerk to the Corporation)**

319. To Receive Apologies for Absence.

There were no apologies

320. Declaration of Interests and to Notify Part 2 Agenda Items

Mike Carver declared his interest as a Director of Hertvec, CK Assessment and Hertford Resourcing Group (HRG), whilst Andrew Clare declared his interest as a Director of Hertvec and HRG.

The Part 2 agenda items were as previously notified with the addition of a Report on Apprenticeships.

309. To Approve the Minutes of the Resources Committee held on 23/11/16.

The Chair drew attention to a number of typographical errors that required amendment. With these amendments the minutes were approved.

310. Matters Arising.

310.1 Members were informed that the induction process for new Governors will in future include a session led by the Principal and the Chair to bring new members up to speed with the issues in which the Board is involved. The Clerk will continue to provide the standard induction for new Governors.

310.2 Andrew Clare confirmed that he had met with the Bank and that they had indicated that they will take account of the impact of FRS102 when looking at the College accounts.

310.3 It was confirmed that the land registration of the College estates/assets had yet to be completed.

310.4 Members were informed that Andrew Clare had spoken with both audit firms to express the dissatisfaction of the Governors that a senior partner had not attended the Autumn term (2016) Resources or Audit Committees. Consideration is to be given to entering into a re-tendering exercise for both audit functions for the academic year 2018-19.

311. To Receive the Human Resources Reports.

The content of the report was received and noted.

The staff turnover figure to date was 8.8% against the national benchmark of 17.9%. Governors were told that the completion of staff appraisals remained a problem with a low level of completion being achieved. Governors questioned whether this was due to the process being too complex. It was confirmed that the College was looking to try to streamline the process in order to make it less time consuming. Members expressed a similar concern at the low level of completion of the staff probation monitoring process.

The Committee was advised that the Herts Resourcing Group (HRG) was now operational and was employing 23 staff. The Directors appointed are Karen Fleet, Andrew Clare and Tony Medhurst.

Andrew Clare outlined the work undertaken in order to set up a pension scheme for those employed. A recruitment fair is planned for 22nd March 2017 in collaboration with Protocol.

Members were informed that Hertfordshire County Council wished for the College to sign an extension to the three Nursery contracts to extend the period by a further 6 months. The College had indicated that it was unwilling to sign until HCC agreed to pay inflationary rises and other costs associated with running the nurseries.

The annual staff conference was held on 10th February 2017 at the Broxbourne campus and the event was managed and coordinated in-house by Professional Development Manager – Jo Griffin.

Apprenticeship Levy.

The HR Services team have registered HRC as an employer on the Apprenticeship Levy government website and the account is all set up. A year end up-grade to the HR system is due, which should include changes to the reporting to HMRC and therefore the payments taken and will appear in the College online account.

The College is looking at ways to ensure the levy money is spent on apprenticeship training which will include some management qualifications.

Governors sought clarification on how the College would handle the Levy and whether this might need a task and finish Governors group to ensure the Board is kept aware of developments.

Other issues covered in the report included detail of the Staff Survey and staff progression routes.

It was **Resolved** that the report be received;

And in view of the complexities of the Apprenticeship Levy it was;

Recommended that the Board approves the Employer & Community Engagement Committee being charged with oversight of the Apprenticeship Levy process.

312. To Consider the Budget Assumptions for 2017-18.

The assumptions proposed for use in setting the College budget for 2017-18 were considered. It was noted that these together with the budget for 2017-18 will inform the 3 Year Financial Plan.

The Chair questioned whether the College may be over ambitious in the numbers of students it expects to recruit in the next 3 years, but the management team stated that they considered the targets shown were reasonable given the current demographic data for the area served by the College.

In reviewing the assumptions Governors were told that the pay costs were considered to be prudently based with non-pay costs showing just a 2 % increase for business rates.

It was explained that the College was looking to implement a revised Capital Investment programme which will see a significant reduction in the amount of equipment currently being leased. The potential savings for the proposed programme may save approximately £171,000.

It was **Resolved** that the report be received.

312. To Receive the Management Accounts January 2017.

The main variances in Income & Expenditure were reported and noted. Governors were told that the College was taking a very firm stand on the replacement of vacancies and only being replaced if absolutely essential. All budget holders are now expected to work strictly within their allocated budget. The College was now working on ‘Closing the Gap’ strategies to increase income and improve efficiency to ensure the college achieves a surplus 2016/17 and 2017/18. It is essential that the financial objectives are delivered especially the Operating Surplus to avoid any breaches of the bank covenants and the need to achieve a ‘good/outstanding’ financial health.

Members were informed that SFA funding was currently under target and a proposal to increase the amount of provision delivered by subcontractors will be presented to the Board on 15th March 2016. The Chair expressed the view that the student recruitment needed to be improved and the Principal outlined

the work being undertaken to improve the September 2017 intake. It was noted that the adult student market was in decline.

It was **Resolved** that the report be received.

313. To Receive an Early Intervention Letter from the SFA.

The Principal explained that this letter was simply to alert the Governors to the fact that the SFA have graded the College finances as ‘Satisfactory’ despite it previously being graded ‘Good’ by the SFA.

It was **Resolved** that the letter be noted and received.

314. To Receive CK Assessment Management Accounts – January 2017

The Management accounts for the period to the end of January 2017 were received and the main variances in both income & expenditure were noted.

Members were told of the shortfall in income due to the under achievement in recruitment of students but that a profit of approximately £200,000 was forecast for the year.

Mark Hayes has been retained to undertake a complete review of the business processes used by CK Assessment with the view to rationalising them to improve future business opportunities for growth.

It was **Resolved** that the Management Accounts January 2017 be received.

315. Any Other Business.

There was no other business.

316. Date of Next Meeting

Friday 23rd June 2017.

Signed.....

Date.....

The Meeting moved to the Part 2 Confidential agenda at this point.