

**HERTFORD REGIONAL COLLEGE
MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE
FRIDAY 23 JUNE 2017**



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

In Attendance: Andrew Clare (Deputy Principal Finance & Resources)
Jayne Chaplin (Clerk to the Corporation)

Apologies: Karen Fleet (Director of HR)

320 Declaration of Interests and to Notify Part 2 Agenda Items

Declarations of interest were received from:

- Mike Carver, as a Director of Hertvec and CK Assessment
- Andrew Clare, as a Director of Hertvec and HRG.

It was **RESOLVED** for Item 2 to be taken as a Part 2 Confidential Item.

321 Minutes of the Resources Committee, 10 March 2017

The Minutes of the Resources Committee Meeting held on 10 March 2017 were agreed as a correct record for signing by the Chair, subject to the amendment of:

- Minute 313, Declarations of Interest to read "Mike Carver, as a Director of Hertvec and CK Assessment"
- Minute 2.1, Hertvec Report, to read "Governors noted the difficulty in managing the contract which remained an issue due to the unpredictability of the *CoE and Samama*"

322 Matters Arising

322.1 Induction Process for New Governors (Minute 310.1)

In response to questioning, it was confirmed that Members were informed that whilst induction sessions for new members had taken arranged, subsequent membership changes had meant that the revised, integrated process had not been completed but it was confirmed however that such sessions would continue.

322.2 College Accounts (Minute 310.2)

After confirming that a meeting with the Bank had taken place regarding amendments to ensure continued compliance with Bank Covenants going forward, it was noted that a letter of confirmation was awaited.

322.3 Land Registration of College Estates/Assets (Minute 310.3)

Responding to questioning, members were advised that the land registration of the College estates/assets was yet to be completed.

322.4 Audit Service Performance (Minute 310.4)

Further to discussion at the last meeting, it was reported that having already spoken with both audit firms regarding issues with performance, it had been disappointing for the College then to have to pursue the Internal Auditors for the Internal Audit Plan for 2017/18 in advance of the dispatch of papers for the forthcoming meeting of the Audit Committee. Management confirmed that further discussions would be taking place and the intention for market testing to take place in January 2018.

322.5 Apprenticeships Update (Minute 2.4)

Further to discussion at the last meeting of the College's achievement of its Apprenticeship numbers with no guarantee at that time of funding beyond that activity and the exploration of the options available, members were advised that:

- Confirmation of funding had been received from the ESFA subsequently, which would be reflected in the College's 16-18 allocation going forward; and
- Barnet & Southgate College had declined take up of the business but that as the College was in receipt of sufficient AEB, it had been able to address the needs of the sub-contractor, Buttercup.

323 Human Resources (HR) Reports

The HR Report was presented

After summarising activity to date, review with management included:

323.1 Performance against the HR KPIs noting the increase in sickness absence to be reflective of long-term sickness absence concerning a small number of individuals.

323.2 Noting that the College had no employment tribunal claims lodged against it and discussion of the performance management issues reported

323.3 The findings of the staff survey, reporting that there had been a participation rate of approximately 45% with responses to the survey divided into 5 sections. Members were advised that whilst a focus group had been held subsequently comprising a cross section of staff with the intention of formulating an action plan in response to the issues raised, feedback highlighted the work required to effect cultural change. After observing that the group had comprised predominantly Business Support Staff, members were advised that a further focus group was to be organised to seek the views of teaching staff.

323.4 The Transgender policy, which it was confirmed was based on an AoC template and was intended to provide a framework to ensure fair treatment of staff, students and other College users who intend to live in a gender other than that previously ascribed to them and referred to as Trans or gender variant people.

There was more detailed discussion with management of the outcomes of the staff survey noting recurring themes across the Survey where feedback was less positive, which it was noted could be attributed to a particular group of staff. The further action being taken was reported and there was discussion of a range of factors that were potentially impacting on perceptions of satisfaction across all responses, including the lack of any pay award and the

challenge of market forces and its effect on salaries and staff retention. Acknowledging the implications, members were advised that provision had been made in the budget for 1% pay award and that consideration was being given to the introduction of merit award scheme, as one mechanism by which to be able to acknowledge staff contribution to the organisation.

The report was noted and following discussion, it was **RESOLVED**:

323.5 To **RECOMMEND** for the Corporation to **APPROVE** the Transgender Policy.

324 Financial Report: Management Accounts (May 2017)

The Financial report for the period to 31 May 2017 was presented.

An operating position at the end of May 2017 was reported of a deficit of £349k against a profiled deficit of £92k with year to date income £350k less than budget and total expenditure £94k less than budget. Members were advised of an increase in sub-contracted provision with the need to outsource more activity and the incurring of extraordinary costs relating to restructures in-year. Taking this into account, it was noted that the deficit was £431k against a budget of £176k.

The main variances in Income and Expenditure and progress against the Key Performance Indicators for the period were summarised. Reviewing performance in more detail, discussion with management included:

324.1 The main variance identified, noting the recent commission of a review to ensure that the correct funding was being claimed, which members were advised had highlighted both a potential additional £87,503 of SFA funding and an under-claim of £227,691 for EFA learners.

Observing that such a review had been undertaken in previous years, there was discussion of any likelihood of underlying issues inhibiting or impacting on the generation of accurate data in-house. Advising members that the situation was reflective of the increasingly complex nature of the funding methodology and the accompanying and increased bureaucracy, the need was acknowledged for recourse to specialist consultants possessing an in-depth knowledge that included a comprehensive understanding of the nuances in the application of the methodology. After recognising the complexities presented and the advantages provided, the imminent arrival of the new MIS Manager was noted, welcoming Management confirmation that attention would be directed towards those areas on which to prioritise focus.

324.2 The total budget and a comparison to forecast for Higher Education (HE) provision, considering further the outturn forecast showing College enrolments to its own HND programmes addressing a substantial proportion of the shortfall against enrolments to University of Hertfordshire validated programmes and the end of the teacher training programmes delivered by the college in partnership with the University of Greenwich. Reflecting on the position with Management and noting observations concerning the extent to which the service was considered value for money, it was agreed that a discussion between the Corporation Chair and the University would be beneficial.

324.3 The Risks assessed with focus on the anticipated impact of the employer levy on Apprenticeship recruitment, reporting that any quantification of take-up was currently proving difficult to predict. Reflecting on the data outlined in the SFA Funding Summary (Table 3 of the report) members were advised similarly of the complexities encountered in the preparation for future reporting to ensure appropriate oversight and scrutiny with work in this regard on-going.

324.4 The activity to achieve a balanced budget by year-end, recognising the imperative for ensuring delivery of the financial objectives to avoid any breaches of the bank covenants and the achievement of a 'good/outstanding' financial health. There was questioning of the timescales for confirming the year-end position to governors noting that an oral update would be provided to the 12 July 2017 Corporation meeting.

After consideration, the report was noted.

325 Draft Three- year Financial Plan & 2017/18 Budget

The Draft Three- year Financial Plan was presented along with the Budget Assumptions for 2017/18.

Reporting that the Budget assumptions reviewed and agreed at the last meeting had:

325.1 Formed the basis for the setting of the College budget for 2017-18 with a trading surplus of £704k proposed and a Financial Health Rating of "Outstanding"

325.2 Informed the Three-Year Financial Plan, which emphasised the imperative for the College:

- To generate a surplus each year for reinvestment into current and new facilities for learners with the expectation of a profit generated by each Strategic business unit; Core College Activity; CK Assessment; HERTVEC; and Hertford Resourcing Group (HRG)
- To balance growth via ensuring quality delivery of apprenticeship provision and addressing under-utilisation of its allocation for Advanced Learner Loans in parallel with efficiencies and cost absorption.

The budget assumptions, key variances and Three-Year Financial Plan were reviewed:

325.3 Concurring with the observation of the need for the College to adapt to whatever funding regime was in operation by keeping a close focus on staff costs and overheads whilst diversifying its income as far as possible. It was however observed that the monitoring would be facilitated if and requesting for the report to also include data on class utilisation and sizes to:

- Allow the monitoring of performance, assessing movement in the context of baseline data and provision on/at each campus; and the determination of any further action required at the appropriate time
- Inform strategic discussion of immediate and more long-term accommodation and estates requirements

Following extended consideration, it was **RESOLVED**:

325.4 To **RECOMMEND** for the Corporation to **APPROVE** the Three-Year Financial Plan and proposed Budget for 2017/18.

326 Fees Policy 2017/18

The Fees Policy for 2017/18 was presented.

Outlining the College's approach to the setting and operation of fees associated with academic provision for the period 1 August 2017 to 31 July 2018 and prepared in-line with the Education Skills Funding Agency (ESFA) recommendations for fees, the Policy was reviewed and considered.

Following discussion, it was **RESOLVED** to **RECOMMEND** to the Corporation:

326.1 **APPROVAL** of the Fees Policy for 2017/18.

327 Any Other Business

There was no other business.

328 Date of Next Meeting

Wednesday 22 November 2017 – TBC

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

Signed:



Dated:

16 October 2017