



362 PRELIMINARY PROCEDURAL MATTERS

362.1 Attendance & Apologies for Absence

Members Present: Mike Carver
Jo Howell (Chair)
Tony Medhurst (Principal)
Ian Richardson

In Attendance: Andrew Clare (Deputy Principal Finance & Resources)
Jayne Chaplin (Clerk to the Corporation)
Karen Fleet (Director of HR)

Apologies: Warren Gordon

362.2 Declaration of Interests and Part 2 Agenda Items

Declarations of interest were received from:

- Mike Carver, as a Director of CK & Training Assessment Ltd and HRC Cubed Ltd
- Andrew Clare, as a Director of Hertvec, CK Assessment & Training and Ltd HRG Ltd
- Tony Medhurst as a Director of CK Assessment & Training and Ltd HRG Ltd
- Karen Fleet, as Director of HRG Ltd

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

363.3 Minutes of the Resources Committee, 28 June 2019 & Matters Arising Minutes

The Minutes of the Resources Committee Meeting held on 28 June 2019 were agreed as a correct record for application of the Chair's signature.

Matters Arising

There was consideration of Matters Arising:

Financial Plan (Minute 359.1b)

Confirmation was welcomed that amendments had been made to reflect revised Strategic Plan.

363 REVIEW OF GROUP (COLLEGE) PERFORMANCE - MONITORING & UPDATE REPORTS

363.1 College

Reports were received comprising:

363.1a Year-end 31/07/19: Draft Management Accounts (Inc. LGPS Valuation)

Reports were presented providing an overview of the draft financial position for the year-ended 31 July 2019 along with the FRS102 Report, showing recognition of the local government pension's scheme movement and balances in the financial statement for the year.

After advising members that the Auditors had completed the detailed on-site review with outstanding queries to be agreed over the coming weeks, it was reported that:

- Excluding exception items, the operating position for the core College was £127k at the end of July 2019.
- With the performance of each individual element within the group recognised, the overall group position was a group surplus of £172k against the plan of £745k, representing an adverse surplus variance of £573k.
- The main variance was the FRS102 pension cost of £659k with the deficit on the scheme increasing by £2,944k in the year.

Review and discussion of the year-end position with Management included:

- The approach proposed to the treatment of the consolidated outturn to be discussed with the auditor in finalising the position. In particular the rationale was welcomed for the proposed treatment of fixed assets to address residual, historical issues and ensure a clear and correct position and avoid any issues going forward.
- Profit and Loss and Income, commending the control exercised over costs, which it was recognised provided a sound financial basis for 2019/20.
- The Balance Sheet, welcoming confirmation of the healthy cash position, which members were advised had been recognised by the ESFA.
- The decline in the pension valuation, noting this to be in-line with the sector. There was consideration of the assumptions underpinning the overall valuation, noting these to be consistent with those used in organisations elsewhere. However, it was agreed that when presented in its final format, it would be helpful for the Financial Statements to include an explanatory note to ensure review in an overall context.

The report was noted and it was **RESOLVED** to **RECOMMEND** to the Corporation:

- **APPROVAL** of the assumptions forming the basis of the Pension Valuation.

363.1b Year to date 2019/20

Reports on year to date activity were received comprising:

i Enrolment Update

An oral report was received providing an update on year to date enrolment.

The update was noted.

ii Sub-contracting Year-end 31 July 2019 & 2019/20 proposed contract values

A report was received providing an update on the year-end closing position against contract for College Apprenticeship, AEB and Programmes of Study subcontracting activity along with and the contractual allocations and current performance for 2019/20.

The 2018/19 year-end closing position was reviewed and noted. Members were advised that with a focus now on sub-contracting the need was required to demonstrate clearly the

rationale for such activity and that further information would be presented at the next meeting. Members then considered the current sub-contractor activity proposals and potential opportunities:

- Reflecting on the rationale for and contract values proposed for each provider. There was question of those recommended for CK Assessment following its performance against target during 2018/19. Confirmation was welcomed of strong learner recruitment to programmes of Study to date and a steady start with recruitment to non-levy Apprenticeship programmes.
- Noting developments:
 - a. With the College's AEB grant allocation for delivery in London, advising members of some direct delivery by the College but with the majority of the allocation to be delivered in London via four subcontracting partners. Members then were advised of a further opportunity being explored by Management with a construction training centre in Waltham Forest, managed by Dudley College, a Grade 1 College.
 - b. With potential subcontracting relationships being considered with two possible Higher Education (HE) partners. There was discussion with Management of the potential timescales and any factors that potentially would inhibit further progress. It was confirmed that due diligence had already been undertaken with both considered to represent experienced, low risk practitioners. It was noted however that it was imperative to be confident about the capacity to deliver with such activity requiring more specialist resourcing, highlighting the particular compliance requirements of the HE regulatory framework. Members were advised that an independent review was currently being undertaken to better inform any final decision.

Acknowledging the benefits both opportunities presented, the need was recognised for timely action in progressing matters as and when outstanding issues were resolved.

After consideration, it was **RESOLVED** to **RECOMMEND** for the Corporation to **APPROVE**:

- The revised and final contract values for sub-contracted provision for 2018/19.
- The proposed contract allocations and values for 2019/20 in-line with the College Financial Plan for sub-contracted provision and providers.
- In principle the proposed partnership arrangements for AEB and HE activity; and to **AUTHORISE** liaison between Management and the Chair of the Corporation and Chair of the Resources Committee regarding any action necessary.

363.1c Human Resources (HR): HR Update

The first HR Report of the year was presented

After summarising activity to date, review with management included:

- Welcoming confirmation of the settlement of a long standing tribunal case
- Noting that despite a UCU recommendation, a vote had been passed by UCU members to reject the proposed changes to the Lecturer annualised teaching hours with senior managers now to meet with UCU to see how matter could be progressed.
- Noting confirmation that following the Corporation's suggestion, advice had been sought from Stonewall regarding the College Transgender Policy and amendments made reflecting its comments

- BREXIT preparations and the identification of a small group of staff who will be required to apply for the EU Settlement scheme
- The overview of CPD activity in-line with the College strategic priorities.

There was response to points of clarification, following which the report was noted.

364 Committee Business

364.1 Committee Business: Review of Terms of Reference

The Committee's Terms of Reference were presented along with amendments proposed to ensure that they remained in line with good practice

The amendments proposed were reviewed, noting these to either reflect provisions within the Corporation Standing Orders, the simplification of some existing text or to make explicit provision for oversight/monitoring of marketing and policies and arrangements to ensure statutory compliance.

The proposed amendment were accepted and it was **RESOLVED** to **RECOMMEND** for the Corporation to:

- **APPROVE** the Committee's updated Term of Reference

365 Other Business & next Meeting

365.1 Any Other Business

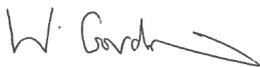
There was no other business.

365.2 Date of Next Meeting

Wednesday 27 November 2019, 5.30pm

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

Signed:



Dated: 27 November 2019

Chair