

Policy & Resources Committee

Approved Minutes

Minutes of a Meeting of the Committee held on Monday 6 February 2017 at the Southend Campus at 6.00 pm.

Present: Dr R Gray (Chairman)
Mr D O'Halloran
Ms O Buck
Mr R Launder
Ms A O'Donoghue CBE

In Attendance: Mr A McGarel (Deputy Principal & Chief Executive)
Mr R I Millea FCA (Clerk to the Corporation)
Mr S Smith (Vice Principal, Corporate Resources) - Item 5 only
Ms L MacCormac (Head of Collaborative Partnerships) – Item 6(f) only

1. Apologies for Absence

Apologies for absence were received from Mr S Burrell, Ms M West, Ms D Brown (Vice Principal, Curriculum & Quality) and Ms D Hurst (Director of Finance).

2. Urgent Business

The Clerk declared his interest as Clerk to Chelmsford College and that his wife's cousin is the Clerk at Writtle University College.

There was no other Urgent Business.

3. Minutes of the Meeting held on Monday 21 November 2016

The Minutes of the Meeting held on Monday 21 November 2016 were **APPROVED** and **SIGNED** by the Chairman.

4. Matters Arising

The Clerk **REPORTED** that the Board had approved the following items on the recommendation of this Committee at its Meeting on 5 December 2016:

- Annual Financial Statements of the College and its subsidiaries 2015-16
- Committee Terms of Reference

5. Strategic Developments in South Essex (Paper PRC.17.01)

This matter was deemed to be a Confidential Item under the Instrument & Articles and a separate minute has been prepared, which is attached to these minutes.

6. College Finances (Paper PRC.17.02)

(a) Management Accounts

The Committee **NOTED** that the Management Accounts for the five months ended 31 December 2016 and an updated Cash Flow projection to 31 July 2017, had been presented and discussed by the full Board at the Special Board Meeting held on 30 January 2017.

The College year end forecast remains a surplus of £211K but a full reforecast is planned during January and will come to the Board on 28 February 2017 as part of the approval of the Financial Recovery Plan.

The Committee were informed that Management Accounts will be provided by the 25th of the month following the end of the month to assist the Committee (and the Board) in their scrutiny of the College's financial performance and to comply with the SFA's requirements (see Financial Health below).

ACTION: DPCE

(b) Learner Numbers and Financial Implications for 2016-17

The Committee noted that the enrolments of 16-18 students for 2016/17 are 5365 to 31 December 2016. The overall allocation of FE 16-18 funding for 2016/17 is for 6093 learners. The College is 728 learners (or 12%) under target.

This may be able to be reduced by additional enrolments of 150 learners from January 2017 and, if met, the shortfall would reduce to 578.

The impact of this shortfall will be felt on the College's EFA 16-18 allocation for 2017/18. The allocation will be announced shortly (it is estimated to be around 5460 learners) and notification of the cash allocation will be received by the end of March.

Enrolment of 19+ learners currently stands at 65% of the allocation, somewhat less than at the same time last year, when it was 84% of target.

This funding line is potentially subject to clawback by the SFA at the end of the year and the College is actively reviewing its recruitment strategy to ensure this funding line reaches 100% of the allocation.

The Advanced Loans budget is at 59% against allocation and further activity this year should increase this funding line – it is already higher than at the same stage last year.

The College has planned a number of Actions to improve the current position regarding its likely EFA/SFA funding outcomes for this year and these were discussed with the Committee and **ENDORSED**. Governors challenged the validity of the assumption that year end targets would be met. There is sufficient concern about the impact of not meeting the targets that governors asked for it to be added to the financial recovery action plan and monitored at all future meetings.

The Committee **RECEIVED** the Report.

(c) Treasury Management Policy

The Committee **APPROVED** the draft Treasury Management Policy, which forms part of the College Financial Regulations.

The Clerk advised that the Policy needs to be cross referenced to the College's existing Anti Money Laundering Policy & Procedure, approved in December 2013.

It was noted that the AML Policy requires review. The Clerk advises that there have been some changes to the ML Regulations and he would seek advice as to any amendments necessary to ensure the Policy & Procedures are up to date and report back to this Committee.

ACTION:CLERK

Items 6. (d), (e) and (f) *were deemed to be Confidential Items under the Instrument & Articles and a separate minute has been prepared in connection with these items and are attached to these minutes.*

7. HR Matters (Paper PRC.17.03)

Staff Absence and Turnover

The Committee **RECEIVED** a Report from the College's Head of Human Resources providing the Committee with information in relation to sickness absence and staff turnover enabling KPIs for both of these aspects to be monitored.

The rolling **absence rate** for the year to 31 December 2016 was 8.62 days (previous year 10.32) absent per person. The KPI for this year is set at 7 days.

Short term sickness is a continued problem for the College as it equates to 86.5% of absences, the balance being long term.

Through the change to the academic contract, sickness absences are being covered internally rather than relying on external (expensive) agency staff.

There are some long term unwell staff and they are being supported. The Head of HR is working proactively with the management team to address unacceptable sickness absence or non-compliance with the College's policy.

The **staff turnover** for September to December 2016 was 9.51%, slightly higher than at this stage last year, and if this rate is continued, then the KPI for the year of 15% will be exceeded.

It was noted that natural wastage is occurring due to organisation change and replacement of those departures is being carefully considered to ensure it is necessary.

Sickness absence and turnover remain a high priority for the College. The Committee were pleased to see the progress being made in managing this area.

The Committee **RECEIVED** the Report.

8. Committee Matters

The Clerk provided a verbal summary of the outcomes of the Committee's own Self-Assessment for 2015/16.

All Members had responded to the questionnaire and the overall average grade awarded for graded items was 1.45 (between Outstanding and Good) and the Chairs' Performance was comparable thereto.

All yes/no questions on the assessment were answered in the affirmative.

The only written comments were in respect of insufficient time in meetings to fully cover all items, inadequate KPIs (but not specified why inadequate) and an alert that more meetings of the Committee might be necessary in the future given the College's Notice of Financial Concern and ongoing need to monitor the Financial Recovery Plan.

The Committee **RECEIVED** the Report.

9. Forthcoming Events (Paper PRC.17.04)

The Committee **NOTED** the schedule of forthcoming events provided by the Clerk.

10. Date of Next Meetings

Monday 24 April 2017 at the Thurrock Campus at 6.00 pm.

Monday 26 June 2017 at the Southend Campus at 6.00 pm.

There being no further business, the Meeting terminated at 7.50 pm.

Signed.....Dated.....