

**EASTLEIGH COLLEGE BOARD
FINANCE & GENERAL PURPOSES COMMITTEE
MINUTES OF MEETING HELD ON WEDNESDAY 4 MARCH 2015, 1700 HRS,
THE RED CARPET RESTAURANT**

Present:

Mr Paul Quigley (Chair)
Mr Steve Johnson
Miss Shirley Nellthorpe
Miss Julie Richmond
Dr Jan Edrich (Chief Executive and Principal)

In attendance:

Mr Rob Jarvis Finance Director
Dr Chris Davis Clerk to the Board (minutes)

F.01.15 GOVERNORS' MEETING TIME WITHOUT SMT

F.02.15 COMMITTEE MATTERS

i Apologies

There were no apologies.

ii Declaration of interests

There were no declarations of interests made by those present, financial or otherwise, in any item on the agenda.

iii Minutes of last meeting

The minutes of the meeting held on 19 November 2014 were agreed and signed.

iv Matters arising

Mr Jarvis reported that all outstanding actions from the previous meeting on the 19 November 2014 had been completed.

F.03.15 GOVERNORS' MONTHLY REPORT, JANUARY 2015

i Financial aspects

Mr Jarvis drew Governor's attention to an additional £1.1m traineeship growth request, which was submitted in January 2015, the outcome of which will be announced at the beginning of March 2015.

Mr Jarvis commented on the College's two major funding allocations. The College has received the EFA allocation which is £200k better than last year because of the slight increase in learner numbers. The larger of the two allocations from the SFA has not yet been received, however a funding letter has been circulated setting out the principles of their allocations. The letter outlines that apprenticeship and trainee delivery will be protected, together with maths and English delivery; providers who are strong in these areas will be 'rewarded' although it doesn't clarify how. This means that the cut the SFA are going to effect is going to very significant on the rest of the provision, in real terms a 24% cut on everything else. Mr Jarvis believed that the College might be in good position because it has a significant proportion of apprenticeship and traineeship provision together with maths and English, so depending on how the equation is calculated the College may benefit from a reduced reduction in funding allocation.

In terms of the management accounts themselves, Mr Jarvis informed Governors that the College is still forecasting a historic cost surplus of £230k as compared to a budgeted surplus of £364k. The forecast outturn cash position is £2.4m.

ii Safeguarding updates

Dr Edrich reported that the College is receiving a lot of safeguarding issues on a daily basis but they are being handled successfully through the colleges safeguarding procedures.

The new obligation on the College to prevent radicalization and extremism has resulted in training being given by an external agency. The expectations on the College are becoming clearer and the College has revised and updated a new Safeguarding and Child Protection Policy and Procedure document. This brings together in one document all the key elements and will help to provide a cohesive and joined up approach to dealing with concerns of this nature. She also reported that Governors would receive some training on this theme and their duties and responsibilities at the next Governor's training event in April.

iii Equality and Diversity updates

Dr Edrich reported that the Equality and Diversity employer group had met to go through all the staff data and staff development data, whilst the student data was still in the process of being monitored.

Governors noted the Financial aspects, Safeguarding and Equality and Diversity updates in the Governors' Monthly Report, January 2015.

F.04.15 TO RECEIVE

i Major Redevelopment Project – update

See confidential addendum.

Governors considered and recommend to the Board that the College continues with Phase 1 of the Project, bearing in mind the risk that the Cranbury capital receipt may be reduced.

ACTION: ChD

ii Franchise and Partnership Provision – Annual Report 2013/14

Mr Jarvis made Governors aware that this report is a standard report required by the SFA, which gives a clear explanation of the amount of turnover the College receives from the partnership provision during 2013/14. He went on to quantify some of the figures by explaining that the College receives £3.2m as a contribution to overheads with £12m going through to sub contractors. Mr Jarvis made it very clear that this funding is crucial and a key part of the College's business.

Dr Edrich drew Governor's attention to the European Social Fund (ESF) which is in its bidding phase. The money is coming directly to the LEPs and they are looking for one consolidated bid from FE Colleges. Dr Edrich said that she was shortly attending a principal's meeting with a proposal that Eastleigh College leads that work towards a combined submission. This bid, although requiring a lot of detailed work could result in a further £6m of funding over 3 years

Governors received the 2013/14 outturns for partnership and franchised provision.

iii Eastleigh College Ltd – Interim Report

The Clerk made Governors aware that Eastleigh College Ltd is a company solely owned by Eastleigh College to run the MOT testing centre. The company continues to operate efficiently and the figures show that it is running very much to the same levels as in previous years.

Governors noted the summary of MOT tests and income.

iv Support Services SAR outcomes and improvement plan

Dr Edrich took Governors through the multiple documents and explained that the College had assessed itself in terms of effectiveness of leadership and management as a Grade 2.

This reduction in grade from a previous report reflected the financial situation and that the College had incurred 3 deficits in a row.

The Support Services SAR was produced as a result of a very thorough and robust process. The resulting grades help build a picture and produces further discussion and communication between the teams.

Dr Edrich reported that the external moderators had been extremely impressed by the College's process with regard to the Support Services SAR.

Governors received the 2013/14 Support Services SAR outcomes and improvement plan.

v Sub-Contractor Contract Values

See confidential addendum.

Governors queried the situation with some providers that had gone out of business. Mr Jarvis said this was not a huge risk, as long as the delivery the College has paid for has actually occurred. He went onto say that the College has very strong processes in place to ensure due diligence allied with robust contracts.

Mr Quigley made the meeting aware of a feature that recently went out on the local BBC news programme about a new grouping, which has been established of Wessex Life Sciences, a coming together of like minded companies developing research and manufacture in the Wessex region. The Chair of the grouping intimated that there could be a £300m investment in life science industries in the next year. Mr Quigley wondered if there was an opportunity for apprenticeships or traineeships. The meeting agreed that this might be something that deserved further exploration.

Governors noted and endorsed the 2014/15 Sub-Contractor Contract values.

ACTION: JE

F.05.15 TO REVIEW

i,ii,iii Risk Management including: F&GP Items on the Risk Register and Risk Reduction Plan

Mr Jarvis explained that this agenda item was aimed at making the committee aware of the Risk Register and Risk Reduction Plan and how it related to the F&GP committee. The key item in the plan are the changes in government/SFA/EFA policy, major funding reduction (Risk 1.3). Mr Jarvis referred to the Governments change of policy to do with apprenticeship funding going to the employer now delayed possibly until 2018/19 but in a more muted version This is still a huge risk to the College and will remain on the Risk Register. The other area with close significance to the F&GP committee was (Risk 5) which relates to the Major Redevelopment Project.

Discussion followed about the necessity for target dates that had been reached on the Risk Reduction Plan and the need for updating. Mr Jarvis said he would go through the register and indicate 'Risk Addressed' where necessary.

ACTION: RJ

iv Tuition Fee Guidance and Fee Level Proposals 2015/16 (for approval by the Board)

Mr Jarvis said that the purpose of the report was to seek approval for the basis on which tuition fees will be reviewed for 2015/16. He went onto reiterate that the latest CPI figures show an annual inflation rate of 0.3%, the lowest rate of inflation for more than a decade coupled with a significant reduction of SFA funding. The College is in a very competitive market and although the College raised its fees by 2%, it did not have an overall effect on recruitment. The general feeling of the SMT is that another increase of 2% should be incorporated for 2015/16.

ACTION: ChD

Governors reviewed the Tuition Fee Guidance and Fee Level Proposals 2015/16 and recommended the proposals to the Board for approval.

v Financial Regulations & Procedures (for approval by the Board)

Mr Jarvis made governors aware of several changes that he proposed to make to the procedure. The first change is the Euro Tendering Regulation limits have been amended and that sterling equivalents have been deleted from the College's Financial regulations because of the current volatility of the exchange rate. The second amendment refers to the increase of the Deputy Chief Executive (Teaching & Learning)'s authorisation limit from £25,000 to £50,000. The third change reduces the Finance Director's authorisation limit from £125,000 to £50,000. This was in light of the recruitment of a new Finance Director and would be reviewed at a later date. Finally there was a proposed change to the limit to which Directors may authorise temporary variations to staff employment contracts; there was a proposal for this to be deleted.

ACTION: ChD

Governors reviewed the Financial Regulations and Procedures and recommended the proposals to the Board for approval.

F.06.15 DATE OF NEXT MEETING

Wednesday 17 June 2015 commencing at 1700 hrs

Governors' Monthly Report – financial aspects, safeguarding & E&D updates

Annual Pay Review (for approval by the Board)

Review of Revenue and Capital Budget for 2015/16 and three year Financial Forecast (for approval by the Board)

Property Strategy Progress Report

Health and Safety Policy – to approve

Proposed Sub-Contracting arrangements for 2015/16 – to approve

Partnership working (approval of increased or new contracts)

There being no further business, the meeting closed at 1820 hrs.