

**EASTLEIGH COLLEGE BOARD  
FINANCE & GENERAL PURPOSES COMMITTEE  
MINUTES OF MEETING HELD ON WEDNESDAY 18 JUNE 2014, 1700HRS, IN ROOM B120**

**Present:**

Mr Paul Quigley (Chair)  
Mr Steve Johnson  
Miss Shirley Nellthorpe  
Mrs Kathryn Rankin

**In attendance:**

Dr Jan Edrich	Chief Executive Designate
Mr Rob Jarvis	Finance Director
Mr Phil Stone	Clerk to the Board
Mrs Moira Attridge	PA to the Senior Management Team (minutes)

**F.09.14 GOVERNORS' MEETING TIME WITHOUT SMT**

**F.10.14 COMMITTEE MATTERS**

**i Apologies**

Apologies were received from Mr Tony Lau-Walker and Mr Warren Scarr.

**ii Declaration of interests**

Dr Edrich, Mr Jarvis, Mr Stone and Mrs Attridge expressed an interest in item F.13.14 ii, annual pay review.

**iii Minutes of last meeting**

The minutes of the meeting held on 5 March 2014 were agreed and signed.

**iv Matters arising**

**a) Review of F&GP items on Risk Register (F.05.14v)**

Mr Jarvis confirmed that Risk Management Board had revised Risk 8.11, failure/breakdown in relations with franchises, sub-contractors and other partners, and the net risk score had been reduced.

**F.11.14 GOVERNORS' MONTHLY REPORT**

**i Financial aspects**

This was discussed under F.13.14 i, Revenue & Capital budget 2014/15.

**ii Safeguarding updates**

Dr Edrich advised that Child Protection training was being updated to differentiate between refresher and initial training. She gave details of a student with a serious health issue. She said that guidance from Public Health England (Wessex) had been followed and reassured Governors that there were no emerging issues or adverse publicity. The Disaster Recovery Plan had been implemented and worked well.

**iii Equality and diversity updates**

The Equality & Diversity Board would meet on 25 June 2014 and the Equality Action Plan would be reviewed at the meeting.

Governors noted the, safeguarding and equality and diversity updates in the Governors' Monthly Report April 2014.

#### **F.12.14 TO RECEIVE**

##### **i Property Strategy progress report**

Mr Jarvis reported that following full sealed bid tender processes, the contract for the College House Study Centre had been let to Homelodge Buildings Ltd and work had started on site. The contract for the Refectory Re-Roofing and Refurbishment Project had been let to Building Integrated Services Ltd, the contractor who carried out the Learning Centre Roof Project last year and again work had now started on site. The Refectory project would be completed by September 2014 and the College House Study Centre by December 2014. Both contracts had been approved by the Chair, Mr Quigley, in advance of this meeting due to the tight timescales involved.

See confidential addendum.

It was agreed

To approve the contract awards and revised budgets for the College House Study Centre and the Refectory Re-roofing & Refurbishment Project and to note progress.

Governors noted the position regarding the Solent LEP capital bid.

#### **F.13.14 TO REVIEW**

##### **i Revenue & Capital budget 2014/15 and three year financial forecast**

Mr Jarvis advised that the 2014/15 budget was based on actual funding allocations from the EFA and SFA. He said that funding levels for 2015/16 and 2016/17 were unclear. It had been assumed that EFA funding for 2015/16 and 2016/17 would reduce by a further 2% each year and it was assumed that funding from the SFA would be cut by a further 15% per annum for the next two years of the Plan. Mr Jarvis made members aware of the proposed changes in adult apprenticeship funding and the likely impact on the College. He stressed that the College's relationship with employers would be critical as would the need to develop and expand the range of full cost provision.

Dr Edrich and Mr Jarvis answered Governors' questions in respect of the significant measures currently being taken to reduce support staff costs for 2014/15 and the implications of increased teaching staff contact hours in 2014/15.

They said there was also scope to reduce costs further by streamlining course builds going forward and teaching hours for which the College was not being paid and this would be vigorously pursued. In addition the drive to push up class sizes would continue.

Variable other operating costs had been reduced by 5% for 2014/15.

Mr Jarvis outlined the headline numbers and the assumptions in the 2014/15 Budget together with details of capital expenditure, borrowing costs and the impact of a potential breach of a loan covenant.

Mr Jarvis drew attention to the salient figures on the Income & Expenditure Account, the Cashflow Statement and Balance Sheet. He answered Governors questions regarding figures for other operating expenses on the Income & Expenditure Account and the contribution from the College's partnership operation. Dr Edrich explained how changes in funding methodology this year and movement in Government priorities affected the Budget and explained to Governors how the overall balance between internal work and delivery by our sub-contractors was arrived at. Dr Edrich and Mr Jarvis then explained the risks associated with working with partners and how these were managed, emphasising that the priority would always be internal delivery and ensuring that all funding was utilised. Mr Jarvis reported that the projected outturn for 2013/14 would place the College in the SFA's "satisfactory" financial health category and that the proposed 2014/15 budget would place the College in SFA financial health category "good". The Committee discussed whether learners would notice any impact of the funding cuts and staff reductions.

Mr Quigley requested that Finance & General Purposes Committee should monitor achievement against the critical success factors in the budget at each meeting. Mr Jarvis indicated that he believed these to be ECTA and Assessment Centre income and staff costs as a % of income. The graphical performance charts in the Monthly Governors' Report would also be amended to include a rolling budget.

Action: RJ

It was agreed

To recommend the Budget for 2014/15 and the Three Year Financial Plan for the period 2014/15 to 2016/17 to the Board for approval.

**ii Annual pay review**

The Committee agreed that Dr Edrich, Mr Jarvis, Mr Stone and Mrs Attridge, having previously declared an interest in the annual pay review, should remain for discussion of the item.

See confidential addendum.

It was agreed

To recommend to the Board consideration of a staff pay increase should be deferred until the March 2015 Board meeting.

**F.14.14 TO APPROVE**

**i Health & Safety Policy**

The Health & Safety Policy was reviewed and Finance & General Purposes Committee did not propose any changes.

It was agreed

To approve the Health & Safety Policy.

**ii Partnership working – approval of increased or new contractors**

Mr Jarvis drew Governors' attention to the table of revised partner contract values and agreed to reinstate the original budget column for the next report.

Action: RJ

Governors endorsed the revised partnership contract values.

**iii Proposed sub-contracting arrangements 2014/15**

Mr Jarvis stated that four new providers would be engaged for 2014/15 after going through the College's due diligence process. Governors noted the dynamic situation and the target figures. Dr Edrich thanked a Governor for suggesting a potential opportunity to deliver training.

It was agreed

To approve the proposed partner contract values for 2014/15.

**iv Maternity, Care & Statutory Flexible Working Procedure**

Dr Edrich advised that the Procedure has been revised to bring it in line with changes in flexible working legislation.

It was agreed

To approve the revised Maternity, Care & Flexible Working Procedure.

**F.15.14 DATE OF NEXT MEETING**

**Wednesday 19 November 2014 commencing at 1700 hrs**

review of operation of committee

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

review financial statements for 2013-14 (for approval by the Board)

review college banking and insurance arrangements

review final capital spend

Partnership working – approval of increased or new contracts

Partnership Working Strategy

Communication & Consultation Strategy

The meeting closed at 1820 hrs.