



**MINUTES OF FINANCIAL PERFORMANCE & EFFICIENCY COMMITTEE MEETING
HELD ON 14TH JULY 2016**

Present:	Rachel Court	External
	John Rees	Principal
	Malcolm Rogers	External (Chair)
In Attendance:	Stephen Byrne	Project Manager – Capital Project (minutes 126 to 146)
	Denise Cheng-Carter	Deputy Principal, Finance and Resources
	Rachel Hennigan	Vice-Principal (Learning & Achievement) (observer)
	Lesley Venables	Clerk to the Corporation

APOLOGIES FOR ABSENCE

126 Apologies for absence were received from Andrew Wright.

DECLARATIONS OF INTEREST

127 No declarations of interest were received.

TERMS OF REFERENCE

128 The Clerk advised that the Committee's current constitution was for a total of 6 governors, which did not reflect its actual composition of 4 governors.

129 **Resolved -** That the Board **be RECOMMENDED** to approve the amendment of the Committee's constitution to a minimum of 3 and maximum of 6 governors

MINUTES

130 **Resolved -** That the minutes of the meeting held on 12th May 2016 be approved as a correct record and signed by the Chair

MATTERS ARISING

131 The Committee received a progress report on the actions resulting from the previous meeting and noted that all of these had either been completed, were in progress or featured on the agenda.

132 Under minute 102 governors were informed that a tour of the refurbished areas of the Francis Street Campus would be arranged in the new academic year.

CAPITAL PROJECT UPDATE

133 The Project Manager reported that it was still anticipated that the project would be delivered within the agreed budget, despite having to use part of the allocated contingency. Governors questioned whether the scale of this expenditure had been identified and were advised that this had not been possible to determine as the cost of staffing the project with two shifts was still the subject of negotiation.

134 Floors G and B were expected to be handed over to the College in late July, however, there were issues over the completion date for E Floor, where currently the main contractor's staff were working 12 hour shifts and 7 days per week. The Learning Resource Centre and staff room would be fitted out and ready for occupation by the end of August, but a maximum of 4 teaching areas may not be finished for the start of the academic year. The Senior Leadership & Management Team was currently making contingency plans for this eventuality and would have a clearer picture at the next contractor progress meeting on 27th July.

135 The Project Manager reported that additional resources would be available for this area once floors G and B had been completed. Governors asked the likely length of any overrun in the timescale and were assured that this would only amount to one or two weeks. The Contractor was reasonably confident that any specialist rooms on this floor would be fitted out and opened by 5th September.

136 It was noted that all windows in the building would be replaced within the identified timescale. Contractors would probably continue to remain on site in September to correct any 'snagging' items outside of core teaching hours to minimise potential disruption to learners.

137 The Committee was informed that officers from the Local Enterprise Partnership appeared to be reneging on their previous agreement concerning matched funding for the project, following a change of personnel. This matter had not yet been escalated to a higher level of authority at the LEP and the College was providing further documentation which management felt would support its claim.

138 In response to questions from governors, the Project Manager advised that payments from the LEP for the project continued to be paid and that any items under dispute were not classified as appropriate for match funding anyway. The Committee noted that this behaviour placed the LEP in breach of contract and that considerable sums of money were involved.

139 Payment for the College's funding claim in May 2016 had already been processed and was expected to appear in the College's bank account two weeks later than the identified profile. Governors agreed that the College should wait until the account was a month overdue before escalating matters further. Management felt that it was unlikely that the LEP would not pay the monies owed as any underspend in its own accounts had to be returned to the Government.

PROPERTY STRATEGY 2016-2019

140 The Deputy Principal presented the draft Property Strategy for 2016/2019, which the Committee felt provided a useful overview of all College sites. This was considered by management to reflect the College's intentions over the next 3 years, linked to the strands of the Strategic Plan (for example, the proposed Skills Centre was aligned to one of the outcomes of the Area Based Review process) and met the needs of the Borough.

141 It was noted that a number of the issues raised in the Condition Survey dated 2012 had now been addressed as part of the Capital Project. The remaining items had not yet been prioritised for action within the Strategy and the Deputy Principal reported that this would be carried out once the strategy was approved in principle, with some elements dependent on bids for non-core funding and investments from within the College's own resources. For each significant capital project, a full plan would be presented to the Committee in advance of any work commencing. Management was asked to include within the Strategy a progress report on the items identified in the Condition Survey, with deadlines allocated to any outstanding issues.

142 Governors felt that, for clarity, revenue and capital projects should be separated out.

143 The Chair highlighted the 3 elements relating to the College's Strategic Plan: the Skills Centre, refurbishing the parts of the Francis Street Campus not covered by the Unlocking Potential Project and the creation of an Institute of Technology. Additionally, there was the ongoing maintenance programme which equated to approximately £200k per annum. The Committee questioned whether this amount for maintenance was sufficient and was informed by management that items relating to Health & Safety would continue to be prioritised.

144 Work had already commenced on identifying the potential costs of the intentions outlined in the Strategy, but at this stage this was generic as specific projects had not been set out.

145 Governors questioned whether any asbestos-bearing materials had been dealt with as part of the current capital works. The Project Manager reported that the immediate risk had been address, but there was still further activity to be undertaken.

- 146 **Resolved -**
- 1 That the headline items contained in the Strategy **be RECOMMENDED** for approval by the Board
 - 2 That a progress report on the items identified in the most recent Condition Survey be presented to the Committee, together with an action plan to address any outstanding issues

Stephen Byrne left the meeting at this point.

PROPOSED BUDGET FOR 2016/2017 AND FINANCIAL FORECAST FOR 2017/2019

147 The Deputy Principal presented the proposed Budget for 2016/2017 and Financial Forecast for 2017/2019. It was noted that detailed discussion of this item had taken place at a separate meeting open to all governors (7th July 2016) and during the Area Based Review process.

- 148 **Resolved -**
- 1 That the Board **be RECOMMENDED** to approve the budget for 2016/2017 and the Financial Forecast for 2017/2019
 - 2 That the Board **be RECOMMENDED** to approve a 0.5% pay increase for all staff (excluding senior postholders) with effect from 1st August 2016

FINANCIAL PERFORMANCE REPORT – MAY 2016

149 Governors received for information the Financial Performance Report for May 2016. This indicated that the College was on track to achieve a surplus of £118k (against a budget of £110k).

150 The Deputy Principal reported that in areas where the income target had not been met (such as external projects), management had taken action to reduce expenditure.

151 The College had been successful in its bid to the Skills Funding Agency for growth in apprenticeships.

152 The Committee discussed the content of the revised 'dashboard' and concluded that any comments should be forward-looking and address the issues identified in the accounts. Further work would be undertaken by the Deputy Principal in consultation with the Chair and an updated version would be submitted to the Committee's December meeting.

153 It was agreed that any items where the actual position was above the budget should be RAG-rated as 'green', unless there was a downward trend. A grading of 'amber' would be given to any performance that was 5% lower than the budget or forecast.

154 Governors noted their concerns over the current levels of performance for average class sizes and staff utilisation.

DATE OF NEXT MEETING

1st December 2016 at 4.45 p.m.

Signed <i>MCRoge</i>
Date <i>3/13/17</i>