

Minutes Part I

Finance and General Purposes Committee – Part I minutes
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Meeting Time and Date	1700 on 13 March 2019
Meeting Location	Room H2, Enfield
Present	Doug Fussell (Chair) Roger McClure (Vice Chair) Malcolm Goodwin (Principal) Don Gratton Lady Milnes-Coates Christine Bianchin (Academic) Susanne Datta (HR) Damien Fallon (Finance) Steven Girling (Estates)
Minute Taker	Joanne Coffey (Clerk)
Apologies	Peter Doble
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	Action
<p>1. Apologies</p> <p>1.1. Apologies were given for Peter Doble.</p>	
<p>2. Declaration of Interests</p> <p>2.1. None.</p>	
<p>3. Minutes (Decision)</p> <p>Resolved to</p> <p>3.1. Approve the minutes of the Finance and General Purposes Committee meeting held on 21 November 2018 as a correct record and authorise the Chair to sign them.</p>	
<p>4. Matters Arising (Information)</p> <p>4.1. The College has been invited to join a newly invigorated London Stansted Cambridge Consortium (LSCC), a strategic partnership of public and private organisations.</p>	
<p>5. Six Months Management Accounts 31 January 2019 (Decision)</p> <p>5.1. The College has operated within the key accounting ratios set by Governors and presently records an 'Outstanding' financial health score.</p>	

<p>5.2. Income is £449k below the profiled budget due to a lower than expected recruitment of adults, HE learners (including floristry) and a 25% reduction in school contract.</p> <p>5.3. The narrative on the variance in farming income to be corrected to clarify that this is due to decreased customer demand at the Forty Hall farm shop.</p> <p>5.4. Higher salary costs reflect the recruitment of new senior and middle management posts and the need to increase the use of agency staff to cover vacancies, illness and maternity leave.</p> <p>5.5. SLT is presently conducting a cost review with the intention of reducing agency costs going forward (2018-19 year to date cost £423k: 2017-18 annual cost £487k).</p> <p>Resolved to</p> <p>5.6. Accept the group management accounts for the second calendar quarter to 31 January 2019 and recommend them to the Governing Body for approval.</p>	<p>Governing Body (Appendix I)</p>
<p>6. Revised Budgets 2018-19 (Decision)</p> <p><u>Revenue Budget</u></p> <p>6.1. The revised revenue budgets have significant variation in expenditure due to higher salary costs of £350k (see 5.4), which is partially offset by the removal of bank interest payable for the Crystal Palace capital project of £35k (as this will not commence until 2019-20) and a positive income variance of £6k.</p> <p>6.2. As the plans to manage salary costs are now being implemented, improvements in the budget outturn are expected.</p> <p>Resolved to</p> <p>6.3. Approve the revised revenue budget for the year ended 31 July 2019 and recommend it to the Governing Body for approval.</p> <p><u>Capital Budget</u></p> <p>6.4. The capital budget agreed by Governors for 2018-19 stands at £466k and should remain flexible as to where it is used.</p> <p>6.5. Unexpected costs of £4,899 have been incurred in upgrading the electrical supply at the Gilmore Close recycling centre. This had been a capital item for the previous year.</p>	<p>Governing Body (Appendix II)</p>

<p>6.6. The Enfield Master Plan's progression requires approximately £40k for council planning fees and their requirements for a redesign. This will be offset in the future through fundraising which is expected to provide for the majority of costs.</p> <p>6.7. The Crystal Palace capital project has incurred £290k of costs due to the extensive and ongoing planning submission process.</p> <p>6.8. It is expected that construction costs will be lower given the rebalancing the majority of buildings onto the lower site; although this may be offset by delays to the delivery of the project.</p> <p>6.9. The public relations and consultation programme has been paused until views on planning have been agreed. An update will be presented at the summer 2019 F&GP meeting.</p> <p>Resolved to</p> <p>6.10. Approve a total capital budget of £466k, for the year ended 31 July 2019 and recommend it to the Governing Body for approval.</p>	<p>Governing Body (Appendix III)</p>
<p>7. Review of Finance and General Purposes Risk (Decision)</p> <p>7.1. Risk Appetite descriptions have been added to the Finance and General Purposes risk paper to indicate how the controls are assured.</p> <p>7.2. The Committee discussed whether the risk appetite for those risks associated with the Crystal Palace project should be raised. As the planning issues were a live risk, with all relevant committees working to reduce further planning delays, this was not deemed necessary.</p> <p>Resolved to</p> <p>7.3. Accept the Risk Register with no additions or amendments.</p>	
<p>8. Report of the Principal (Information)</p> <p>8.1. Feedback from the London Review Panel for Crystal Palace was positive, and they have suggested a stronger and more confident approach to the architecture and better connectivity with the park and the National Sports Centre (NSC).</p> <p>8.2. The Committee discussed the importance of achieving balance between the practical aims of the project</p>	

<p>managers and the more creative and environmentally aware architects.</p> <p>8.3. The Principal gave a presentation of the Enfield Master Plan to the Enfield Conversation Advisory Group on 19 February 2019. Overall, it received a positive response with caveats and some clear direction as to improvements to individual designs.</p> <p>8.4. A subsequent planning meeting has revealed a need for two further planning reports to support the application for outline planning for the Enfield Master Plan at the cost of £12k.</p> <p>8.5. The College awaits the Regent's Park Expression of Interest from The Royal Parks, which had been due at the end of February 2019. This will be reported to Governors at the spring 2019 Governing Body.</p>	
<p>9. Finance Update (Decision)</p> <p><u>Capital Development Grants</u></p> <p>9.1. The College has been awarded capital grants by the Greater London Authority (GLA) in respect of:</p> <p style="padding-left: 40px;">a) Greenhouses at Enfield</p> <p style="padding-left: 40px;">b) Construction of the Crystal Palace Park campus.</p> <p>9.2. Governors have approved budgets for both projects; the Crystal Palace Park campus project will require bank loan facilities of £3m, cash of £2.3m and a revolving credit facility of £0.7m; the Greenhouse project with require £99k.</p> <p>Resolved to</p> <p>9.3. Recommend to the Governing Body the approval of the £291k committed to date in respect of the Crystal Palace project.</p> <p>9.4. Recommend to the Governing Body the approval of a further £109k in respect of this project (total spend of £400k) to obtain planning permission.</p> <p>9.5. Agree for Management to seek to defray the above costs from within the original budgets approved by the Governing Body in support of this project and SLT will provide the Committee with quarterly updates hereafter.</p> <p><u>History of recent pay awards</u></p>	<p style="text-align: center;">Governing Body</p> <p style="text-align: center;">Governing Body</p>

<p>9.6. In making a decision on the pay ward for 2018-19, Governors considered whether a pay award of more than 1% was possible.</p> <p>9.7. During the intervening period, there was a public sector pay freeze in which no increments were awarded.</p> <p>9.8. The six month accounts show the current year salary bill to be ahead of budget and the forecast for the 2018-19 year shows the scale of resourcing required to fund salaries for the year. Given this position and the impact of the Teachers' Pension Scheme, it was agreed that the present award is sufficient at this time.</p> <p>Resolved to</p> <p>9.9. Recommend to the Governing Body that no further revision is required to the pay award already made for the 2018-19 year.</p> <p><u>Capital Projects audit</u></p> <p>9.10. The College's internal auditor, Scrutton Bland, in reporting on Capital Projects made the following recommendation:</p> <p><i>"The College should ensure that for any future capital projects undertaken that a full post-implementation review is completed to ensure that intended benefits and efficiencies have been achieved and any learnings can be carried into further planned projects.</i></p> <p><i>Results of the post implementation review should be shared with the full Corporation."</i></p> <p>9.11. They also provided the following value added points:</p> <ul style="list-style-type: none"> a) Development of a project specific risk register b) Maintaining continuity of the Contract/Project Manager c) To ensure that any contractor fee notes are challenged by the Contract Manager within the required timeframe. <p>Resolved to</p> <p>9.12. Report to the Governing Body a full post-implementation review for any future capital projects.</p>	<p>Governing Body</p>
<p>10. Estates and Commercial Operations Update (Information)</p> <p>10.1. A new Head of Centre for Enfield, Patrick Mason, has been in post since 25 February 2019.</p>	

<p>10.2. All centre managers are completing the National Examination Board in Occupational Safety and Health (NEBOSH) which will provide them with the skills to ensure that the College is legally compliant in its operational safety.</p> <p>10.3. The College's five-year condition survey report received from their property consultants, McBain Cooper, will result in an overall cost of £544k of maintenance work. Most of the smaller building maintenance work will be completed by the Estates staff.</p> <p>10.4. Legal compliance inspections will be carried out this year along with essential asset replacement for fire alarms. Budgets will be needed to complete arising works from the inspections and to replace mechanical and electrical infrastructure. It was estimated that this would cost £525k in total.</p> <p>10.5. A new asset register, to log and assess mechanical and electrical infrastructure, will ensure timely replacement of assets before they fail.</p> <p>10.6. The National Farmers' Union (NFU) are providing the College with free days of consultancy on fire risk assessments, consequently two sites will have risk assessments completed by the end of May 2019.</p> <p>10.7. The College will be meeting with the local authority representatives and the Community Interest Company (CIC) for Gunnersbury Park to discuss the demise and lease extension in March 2019.</p> <p>10.8. The Enfield restaurant will be fully staffed from 18 March 2019 and the chef manager will be trained so that he can train potential staff for the level 2 food handling certificate. This will allow the College to have a pool of trained staff to supplement the existing catering team for events and to reduce reliance on agency staff.</p> <p>10.9. A new operating model on pricing, equipment and staffing will in place by April 2019.</p>	
<p>11. Human Resources Update</p> <p>11.1. The staffing headcount as at 21 February 2019 was 355, compared to 336 in the November 2018 reporting period, with a decreased turnover of 8.6% over the last six months.</p> <p>11.2. In the last 3 months the College has appointed 19 new members of staff that include four key appointments:</p>	

<p>a) Executive Director of Estates and Commercial Operations</p> <p>b) Head of Enterprise and Commercial Operations</p> <p>c) Head of Centre (Enfield)</p> <p>d) Head of Garden Design.</p> <p>11.3. The College is evaluating and reconsidering its recruitment processes and systems.</p> <p>11.4. The College is carefully monitoring the proportion of agency staff (currently 23%) to create a better, more sustainable balance between substantive posts and agency staff and ensure quality, maximum effectiveness and cost-efficiencies in service delivery.</p> <p>11.5. The College is launching an all staff survey in March 2019 including the questions arising from the new Ofsted framework, which together with the feedback from the staff conference, will facilitate change via an action plan to improve motivation, performance and retention.</p> <p>11.6. Sickness absence at the College has reduced to 4.7% since the previous period, through more rigorous and supportive management of affected staff, including the reinstatement of return-to-work interviews.</p> <p>11.7. As staff wellbeing is deemed of high importance by the College, its intranet site, Moodle, now has a dedicated wellbeing page which includes briefings and access to the employee assistance programme.</p> <p>11.8. "Work Perks" for staff have been established via third party companies to supply appropriate goods and services. Governors were reassured that these collaborations are well known throughout the FE Sector and are reputable companies. That all perks were facilitated through HR.</p>	
<p>12. Projects and Partnerships (Information)</p> <p>12.1. The College's continuing collaboration with the Royal Agricultural University (RAU) has been agreed, following its three year revalidation visit in February 2019.</p>	
<p>13. AOB</p> <p>13.1. New Governor, Peter Doble, made several F&GP recommendations to the Committee via email in his absence which were circulated to Governors.</p>	<p>Finance</p>

<p>13.2. Feedback (via the Executive Director of Finance and IT) will be reported back at the summer 2019 meeting.</p>	
<p>14. Date of next meeting</p> <p>14.1. The next Finance and General Purposes Committee meeting will take place on Wednesday 26 June, 2019 at 1700.</p>	