

Minutes Part I

Finance and General Purposes Committee	
Meeting Time and Date	1730 on 21 November 2018
Meeting Location	Room H2, Enfield
Present	Doug Fussell (Chair) Roger McClure (Vice Chair) Don Gratton Lady Milnes-Coates
	Malcolm Goodwin (Principal) Christine Bianchin (Academic) Susanne Datta (HR) Damien Fallon (Finance) Joanne Coffey (Clerk)
Apologies	Richard Prowse (Facilities)
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	Action
<p>1. Apologies</p> <p>1.1. Apologies were given for Richard Prowse.</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 20 June 2018, and the Special Finance and General Purposes Committee meeting held on 18 July 2018, as a correct record and authorise the Chair to sign them.</p>	
<p>4. Matters Arising</p> <p>4.1. Arboriculture apprenticeship economics will be assessed to ensure the College's fees are in-line with available funding and the market by January 2019.</p> <p>4.2. Broader marketing of Forty Hall sparkling wine is now in place via web based marketing.</p>	
<p>5. Review of Terms of Reference (Decision)</p>	

<p>5.1. As adult funding will be moving from the Education and Skills Funding Agency (ESFA) to the Greater London Authority in 2019, it was agreed to replace all ESFA references with 'the funding agency' on all Terms of Reference and other long-standing papers, as appropriate.</p> <p>Resolved to</p> <p>5.2. Accept the amended Terms of Reference as attached and recommend them to the Governing Body for adoption.</p>	<p>Clerk</p> <p>Governing Body (Appendix I)</p>
<p>6. Review of Finance and General Purposes Risk (Decision)</p> <p>6.1. The risk pertaining to unidentified allergens in food to be moved from the responsibility of the Finance and General Purposes Committee to the Health and Safety Committee. This was amended following confirmation with these committees.</p> <p>Resolved to</p> <p>6.2. Enter any revisions or additions to the Risk Register.</p>	
<p>7. Report of the Director of Finance (Decision)</p> <p>7.1. The bad debt charges table was amended to update the amount of debt for students who had withdrawn from their courses which resulted in a total of £74k.</p> <p>7.2. The College's contingent VAT liability continues to ensure that only 16-18 year old students are trained in the Princess Royal College of Animal Management and Saddlery building.</p> <p>7.3. Due to greater student needs in 2017-18, the College used its own reserves to increase its discretionary bursary fund by £75k, beyond which the ESFA had allocated and will request an increased allocation for 2018-19.</p> <p>7.4. The ESFA's Finance Dashboard, issued in October 2018, ascertains that the College is in a strong and healthy financial position.</p> <p>7.5. The Department for Education (DfE) anticipate that employer contributions to the Teachers' Pension Scheme (TPS) will increase from 16.48% to 23%.</p> <p>Resolved to</p>	

<p>7.6. Approve the list of budget post holders for 2018-19 and authorise the updating of the College Financial Regulations therefor.</p>	
<p>8. Group Management Accounts 31 July 2018 (Decision)</p> <p>8.1. The analysis of the outturn for 2017-18 was amended to clarify that 'High needs learner activity increased by an additional £455k'.</p> <p>8.2. Overall, the cost base increased by £755k to £12,717k. This was comprised of an increase in salary costs of £469k and other costs by £286k.</p> <p>8.3. The overall increase in income covered the increase in costs resulting in a year-on-year increase in operating surplus of £249k which is ahead of the previous year.</p> <p>8.4. The following corrections were made to the 12 month and 3 month Management Accounts:</p> <p>a) The dates on the first column of the table of Key Performance Indicators (Schedule 1) corrected to July 2018</p> <p>b) On the Group Comprehensive Spending table (Schedule 3) the July 2017 Depreciation and Bad debts entries had been incorrectly transposed</p> <p>c) The balance sheet (Schedule 4) reserves were entered as positives rather than negatives.</p> <p>Resolved to</p> <p>8.5. Approve the group management accounts for the year ended 31 July 2018 and recommend them to the Governing Body for their approval.</p>	<p>Governing Body (Appendix II)</p>
<p>9. External Auditors' Letters of Representation 31 July 2018 (Decision)</p> <p>Resolved to</p> <p>9.1. Approve all the letters of representation (other than sections 4 and 15 of the College letter of representation) for the year ended 31 July 2018.</p> <p>9.2. Recommend to the Governing Body that the Chairman of Governors and the Principal be authorised to sign the Letter of Representation in respect of the College.</p> <p>9.3. Recommend to the Governing Body that the Principal be authorised to sign the Letters of Representation in respect of</p>	<p>Governing Body (Appendix III)</p>

<p>Capel Manor Limited and Forty Hall Community Vineyard Limited in his capacity of director of those companies.</p>	
<p>10. Report and Financial Statements 31 July 2018 (Decision)</p> <p>10.1. The Report and Financial Statements included had been revised by the Audit Committee to include minor edits and:</p> <ul style="list-style-type: none"> a) The improved academic performance across all ages of 85.7% b) A 7.8% increase in English and maths GCSE achievement. c) Unconscious bias training provided by the College. <p>10.2. The College is assessed by the ESFA as having an Outstanding financial health grading.</p> <p>10.3. The College's total reserves as at 31 July 2018 are £5,182k, a £866k increase on the previous year.</p> <p>Resolved to</p> <p>10.4. Approve the accounting policies and the Report and Financial Statements of Capel Manor College, Capel Manor Limited and Forty Hall Community Vineyard Limited for the year ended 31 July 2018 and recommend them to the Governing Body for approval.</p>	<p>Governing Body (Appendix IV)</p>
<p>11. Financial Management and Control (Decision)</p> <p>11.1. Key accounting ratios set for 2017-18 were all achieved or targets surpassed.</p> <p>11.2. Following the adoption of the Strategic Objective for GROWTH's 2018-2023 the College aims to increase its EBITDA score from $\geq 3\%$ to $\geq 10\%$ to ensure a sustainable investment in resources. Future changes to the revenue budget will focus on delivering this outcome.</p> <p>11.3. The currently projected 'framework for excellence' score for the College for 2018-19 is 230 which equates to an overall rating of 'Good'. This reflects the expected financial impact of increased borrowing for the Crystal Palace project which has been delayed. It is likely that the rating will be reconsidered to be 'Outstanding'.</p> <p>Resolved to</p>	<p>Governing Body (Appendix V)</p>

<p>11.4. Approve the key accounting ratios for the College for the year ended 31 July 2019 and recommend them to the Governing Body for approval.</p>	
<p>12. Three Months Management Accounts 31 October 2018 (Decision)</p> <p>12.1. The three month management accounts have reported an operating surplus of £107k above the phased budget.</p> <p>12.2. The increase in value of the College's current assets as at 31 October 2018 was £2m, with the majority held in cash.</p> <p>12.3. £1m relates to student fees charged at the start of the year for which delivery costs will be incurred in the next 9 months.</p> <p>12.4. The other £1m relates to the phasing of receipts from the ESFA. These advanced funding payments are shown in Creditors.</p> <p>12.5. The sales ledger shows £530k of the total debt of £634k as being receivable from the Student Loan Company.</p> <p>Resolved to</p> <p>12.6. Accept the group management accounts for the first calendar quarter to 31 October 2018 and recommend them to the Governing Body for approval.</p>	<p>Governing Body (Appendix VI)</p>
<p>13. Revised Budgets 2018-19 (Decision)</p> <p>13.1. The College is now projecting an operating surplus of £198k.</p> <p>13.2. This is an increase of £134k. Income is expected to be £364k higher whilst costs are expected to increase by £230k. Salary budgets are expected to be sufficient but will be kept under review.</p> <p>13.3. Apprenticeships and short courses are curriculum areas that the College plans to expand, and these generate enough income to cover costs.</p> <p>13.4. The increase in the capital budget of £202k provides £40k for essential software (ProMonitor), and £162k for the provision of new classrooms, office space, kitchen equipment and fencing at Crystal Palace to meet zoo licence requirements.</p> <p>13.5. The revised total projected spend of £466k remains within the maximum allocation of £594k.</p> <p>Resolved to</p>	

<p>13.6. Approve the revised revenue and capital budgets for the year ended 31 July 2019 and recommend to the Governing Body for approval.</p>	<p>Governing Body (Appendix VII)</p>
<p>14. Annual Tuition Fee Review 2018-19 (Decision)</p> <p>14.1. The annual review of tuition fees for the next two years recommends an increase by 5% which is in line with cost of living and other increased costs.</p> <p>14.2. Fees for Saddlery and some Floristry courses are higher than average due to the cost of materials for these courses.</p> <p>Resolved to</p> <p>14.3. The tuition fees, as proposed are approved by the Committee.</p>	
<p>15. Equality and Diversity Report for Staff 2017-18</p> <p>15.1. Gender balance is 70.54% female to 29.46% male (benchmarked against the FE sector of 62%/38%) with a significantly higher number of females in management contracts.</p> <p>15.2. The Gender Pay Gap is 11% in favour of male salaries, which correlates with higher paid specialist skills that attract men and lower paid flexible contracts that attract women.</p> <p>15.3. The overall proportion of staff declaring a disability is 7.44%, however, this may be impacted by a preference to not disclose disability which the Equality and Diversity Working Group are focusing on to encourage disclosure in order to provide support.</p> <p>15.4. The College's age diversity is good with the 16-24 age group making up 10.71% of students, which is significantly higher than the FE sector average of 3%.</p> <p>15.5. The total proportion of Black and Minority Ethnic (BAME) staff is 11.01%. This is reflective of the land-based FE sector and the College continues to consider the planning and promotion of the curriculum to attract more BAME staff and students.</p> <p>15.6. The College's overall median salary in 2017-18 was £27k (include London Weighting) which is just below the FE sector benchmark of £29k.</p>	
<p>16. Human Resources Update</p>	

<p>16.1. The College's staff turnover is 23.95%. This is higher than the FE sector benchmark of 17.4%. The College has considered this in the College Leaders' Meeting and it is accepted that it has resulted from the change in leadership. It is anticipated this will stabilise as positive changes ensuing from new strategies and structures take hold.</p> <p>16.2. New inexpensive staff benefits have been established by the Executive Director of Human Resources to increase motivation and reflect commitment back onto the workforce.</p>	
<p>17. Report of the Principal</p> <p>17.1. The Crystal Palace project's Very Special Case (VSC) has now been updated and is being submitted to planning in November 2018.</p> <p>17.2. Barking Riverside Limited (BRL) have been enthusiastic in their response to the College's application to collaborate with the University of East London to build an educational ecology centre.</p>	
<p>18. Projects and Partnerships</p> <p>18.1. As the College's partnership with the Historic and Botanical Garden Trainee Programme (HBGTP) is due to complete, discussions are in place with English Heritage as to how the partnership can be taken forward.</p> <p>18.2. The agreement to build a nature reserve at Dickenson's Meadow, a collaboration between the College and Tottenham Hotspur FC (THFC), is currently being signed and building work is now expected to begin.</p> <p>18.3. Discussions are underway with New Covent Garden Market to create a teaching facility for the College's HE floristry students, apprenticeships and adults seeking professional short courses.</p>	
<p>19. Report on Estates, Facilities and Health and Safety</p> <p>19.1. The College has now appointed for the following key estates roles:</p> <ul style="list-style-type: none"> a) Executive Director of Estates and Commercial Operations (Steven Girling) b) Head of Centre, Enfield (Patrick Mason). c) Head of Enterprise and Commercial Operations (Alex Dixon). 	

<p>19.2. The College's preparedness and response capabilities to potential zoonotic infections has been strongly reviewed by the Health and Safety Committee due to a suspected (but later discounted) diagnosis of Leptospirosis for a staff member.</p> <p>19.3. The incident generated a fundamental overview in controlling the rat population at and around Centres.</p> <p>19.4. The viability of the small mansion at Gunnersbury Park to provide accommodation to the College is being explored prior to its restoration by the London Borough of Hounslow and its Community Interest Company (CIC).</p> <p>19.5. A review of the Enfield Centre restaurant by Boyd-Thorpe Associates has demonstrated viable rationale for a substantial revamp of this facility.</p>	
<p>20. AOB</p> <p>20.1. No other business was discussed.</p>	
<p>21. Date of next meeting</p> <p>21.1. The next Finance and General Purposes Committee meeting will take place on Wednesday 13 March, 2019 at 1700.</p>	