

CAPEL MANOR COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 18 NOVEMBER 2015

Members: Doug Fussell (Chairman)
Paul Jolly (Vice Chair)
Don Gratton
Joy Hillyer
Lady Coates
Sir William Stubbs
Lady Salisbury
Steve Dowbiggin OBE, Principal

In attendance: Malcolm Goodwin, Vice Principal Curriculum & Quality
Damien Fallon, Director of Finance
Nick Evans, Director of Estates and Buildings
Simon O'Hear, Director of Human Resources
Clare Kendle, Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

Were received from Paul Jolly

2. DECLARATION OF INTERESTS

That there were no interests raised in relation to this part of the meeting.

3. MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 25 JUNE 2015 AND 15 JULY 2015

RECEIVED: Paper 3, minutes of the Finance and General Purpose Committee

RESOLVED that:

that the minutes of the meeting held on 25 June 2015 and 15 July 2015 were agreed as accurate and signed by the Chair.

4. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON THE 25 JUNE AND 15 JULY 2015

RECEIVED: Paper 4, from the Clerk for Information

NOTED:

- i. That the new MIS Manager will start in Jan 2016;
- ii. the fees framework is still under review for 2016-17 and progress will be reported to Governors at the next meeting of Finance and General Purposes Committee.

5. REVIEW OF FINANCE AND GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

RECEIVED: Paper 5, from the Clerk for Governors for Decision

NOTED:

- i. That the reference to the Student Governor should be removed;
- ii. that the track changes proposed were accepted;
- iii. that the dates at the bottom of the document be amended to reflect this review.

RECOMMENDED TO THE GOVERNING BODY that:

- i. they adopt the Terms of Reference for the Finance and General Purpose Committee (as attached to these minutes).**

6. REPORT OF THE CHAIR OF GOVERNORS

RECEIVED: Paper 6, from the Chair of Governors for Governors for Decision

NOTED:

- i. That Governors had requested that the Chair review the Committee structure. The Committee structure and membership is successful therefore that he thought this shouldn't be changed at this current time;
- ii. the Chair did feel there was a potential gap in the structure that would merit establishing a Committee that focused on giving time for review of the College's strategy issues and a clear articulation of current strategies in a way which could withstand scrutiny (enabling the Governors to evidence new actions in this crucial area);
- iii. that it would meet at least once a year, but predominantly on an 'as need' basis;
- iv. the Committee should have a small core membership of the Chairs of Sub Committees but have the option to co-opt other Governors as the Committee felt was appropriate;
- v. the Chair should be for Search and Governance to appoint and the Madam Chairman should be authorised to establish this Committee and appoint the Chair, agree Terms of Reference and constitution;
- vi. the Committee explored the membership and decided that the Senior Management Team of the College should attend as they were needed to inform discussions. The Committee were strong of the view that the strategy itself should come from the College for the Committee to then review and challenge if necessary;
- vii. the need to articulate a ten year vision for the College to facilitate identification of strategic priorities which still enables officers (and Governors) to take medium term/short term actions as appropriate. This would also help with succession planning. ;

- iii. the guidance that the governors have given over the years and the college knowing where the 'pegs in the ground' are has been a great support allowing strategic oversight to be integrated with general control in a very effective manner;
- ix. the Terms of Reference were discussed and the following suggested;
 - To advise the Governing Body on the strategic direction of the main areas of activity of the college, and to maintain and keep under review an overall strategic plan for the college.
- x. the Chair of the Corporation agreed that the comments made by the committee were agreeable and had his support;
- xi. the Chair of Search and Governance be delegated with authority to;
 - constitute the Committee
 - establish the Terms of Reference
 - appoint a Chair

RECOMMENDED TO THE GOVERNING BODY that:

- i. A strategy Committee is constituted with the following terms of reference:**
 - **To advise the Governing Body on the strategic direction of the main areas of activity of the college, and to maintain and keep under review an overall strategic plan for the college.**
- ii. it should meet at least once a year;**
- iii. the membership should be**
 - **Chairs of the current Committees**
 - **Other Governors to be co-opted as appropriate/required**
 - **Senior Management Team (to be in attendance)**
- iv. Madam Chairman of Search and Governance to be given delegated authority to constitute the Committee and appoint a Chair**

7. REPORT OF THE PRINCIPAL

RECEIVED: Paper 7, from the Principal for Information

NOTED:

- i. That the College continues its commitment to be the main provider of landbased education and training in Greater London and is succeeding in maintaining its network of centres across the capital. Governors have committed to establishing a viable and sustainable centre in East London and this continues to be a priority.
- ii. Area Reviews continue to be high on the agenda nationally and the College is seeking to establish the case for being treated as a regional college (this has attracted support);

- iii. the College has achieved its Education Funding Agency funding objectives for 2015/16 and this should favourably impact on income in 2016/17 and the College has applied for in year payment of 50% of the overachievement of 16-18 target.;
- iv. the College achieved all its Skills Funding Agency targets in 2014/15 except for 16-18 apprenticeships;
- v. the Opening of the Animal Management building will take place on the 25th November and HRH The Princess Royal will be the guest of honour.

8. UPDATE ON PROJECTS, FRANCHISING ACTIVITY AND PARTNERSHIPS

RECEIVED: Paper 8, from the Vice Principal, Curriculum and Quality to the Governors for Information

NOTED:

- i. Royal Agriculture University and the College continues to develop their relationship;
- ii. the decision was made not to run the Garden Design HE Course this year as it did not recruit to target (due to late approval);
- iii. research undertaken about this found that the fees were set at the correct level and this was not a barrier to recruitment;
- iv. The strategic principles have been agreed in relation to a range of HE courses which will be introduced in 2016-17 therefore enabling the further development of HE and the partnership with RAU at the College;
- v. The historic and botanic bursary scheme has been a success this year;
- vi. an apprenticeship course has been developed for New Covent Garden Market to start in the New year;
- vii. the College has developed a partnership with Marshalls Plc which is not exclusive and will benefit students;
- viii. Governors asked if the College had enough space to deliver the prospective courses, the Vice Principal assured the Committee that the College would have enough space once the new buildings were fully operational;

9. REPORT OF THE DIRECTOR OF HUMAN RESOURCES

RECEIVED: Paper 9, from the Director of Finance to the Governors for Decision

NOTED:

- i. The annual plan has been agreed by SMT prior to the meeting. The 3 year plan and HR strategy to be reviewed and developed once Governors have reviewed the core strategy.

- ii. The HR team have implemented the new online staff recruitment application form and online management of the recruitment process called 'Vacancy Filler';

RESOLVED that:

- i. **the HR Annual Plan (2016) be approved and adopted.**
- ii. **F&GP require a report on its progress at the Autumn term 2016 meeting.**

10. POLICIES AND PROCEDURES

RECEIVED: Paper 10, from the Director of Human Resources to the Governors for Decision.

NOTED:

- i. The various types of contracts of Employment for new staff have been amended;
- ii. the recruitment policy has been updated to accommodate current practice and fuller use of the various approval form as well as internal or external advertising;
- iii. the Alcohol and Drugs policy was fit for purpose and has been updated in line with current language used in these matters.

RESOLVED that:

- i. **a number of changes were agreed for new staffs' employment contracts to be adopted from 19 November 2015;**
- ii. **the revised Staff Development Policy be adopted;**
- iii. **the revised Staff Development Policy is circulated to all staff for consultation for 2 weeks (Staff will be advised that the policy will be live during the consultation period);**
- iv. **any material changes arising to the Self following the consultation with staff and verification of equality analysis is reported to the next F&GP Committee.**
- v. **the revised Recruitment Policy be adopted;**
- vi. **the revised Recruitment Policy is circulated to all staff for consultation for 2 weeks (Staff will be advised that the policy will be live during the consultation period);**
- vii. **any material changes arising following the consultation with staff and verification of equality analysis is reported to the next F&GP Committee.**
- viii. **the revised Drug and Alcohol Policy be adopted;**
- ix. **the revised Drug and Alcohol Policy is circulated to all staff for consultation for 2 weeks. (Staff will be advised that the policy will be live during the consultation period);**
- x. **any material changes arising following the consultation with staff and**

verification of equality analysis is reported to the next F&GP Committee.

11. STAFF DEVELOPMENT (ANNUAL REPORT 2014-2015)

RECEIVED: Paper 11, from the Director of Human Resources to the Governors for Information

Noted:

- i. The College invests largely in staff development and this investment is always received positively by the staff;
- ii. the College again held 6 continuous professional development day which included a staff conference and a team development day which were received;
- iii. PREVENT training has been undertaken by all Governors and also staff in the College, this included the Governments WRAP training and access to online training as well;
- iv. MOODLE has a newsletter now which updates staff on a regular basis about College news.

12. REPORT OF THE DIRECTOR OF ESTATES AND BUILDINGS

RECEIVED: Paper 12, from the Director of Estates and Buildings to the Governors for Information

NOTED:

- i. Much of the Governor's Estates strategy (the Master Plan) for the Enfield site (which has been discussed previously) has now been achieved;
- ii. there has been a significant improvement in the IT infrastructure of the College as a result of work by the IT and Communications Manager;
- iii. Item 2 – the word 'has' needs to be altered to 'had' in relation to the Capital Builds falling behind schedule;
- iv. a review of the College accommodation has taken place and the Committee was updated on the position at each of the College's sites;
- v. the establishment of a centre in East London is still being explored and the Principal will discuss in more depth in his report;
- vi. The Committee requested that a statement be included in the document to show how the buildings are accessed by disabled students;
- vii. the College is seeking to renegotiate leases at Gunnersbury, Crystal Palace and Regents Park, the Committee highlighted that the College should be bold in requesting long term leases wherever possible highlighting the benefits to the other party;
- viii. that the animals selected for the Enfield outdoor area reflected the needs of students and have been grouped in Bio Zones to enable continents to be represented by both Flora and Fauna.

13. ADEQUACY OF INSURANCES FOR 2015/16

RECEIVED: Paper 13, from the Director of Estates and Buildings to the Governors for Decision

NOTED:

- i. The Director of Estate and Buildings will re-tender for the renewal of the College's annual insurance before he leaves post in July 2016;
- ii. The College recognises the fact that it is moving into an area not dealt with before in the respect of Outdoor Courses as well as the extension of insurance cover of buildings and therefore the current renewal figure it is felt is a competitive one.

RESOLVED that:

- i. College Officers are authorised to re-tender the College's annual insurance cover by July 2016;**
- ii. College Officers to prepare a tender specification for approval by the March 2016 F&GP meeting.**

14. REPORT OF THE DIRECTOR OF FINANCE

RECEIVED: Paper 14, from the Director of Finance to the Governors for Decision

NOTED:

- i. That the College's exposure to debt has increased;
- ii. the College has agreed a strategy for pursuing debts vigorously over the next four months to ensure this falls to previous levels;
- iii. the sales ledger debt profile will now become a standard reporting item for all future Committee meetings;
- iv. part of the challenge results from miscommunication between the student system and finance system. This has been improved;
- v. the list of budget holders was approved by the Committee to be included in the College's Financial Regulations;
- vi. due to increased levels of trading a decision has been made to revive the use of Capel Manor Limited;
- vii. that the Forty Hall Community Vineyard accounts have been agreed by the Forty Hall Community Vineyard Association;
- viii. the College's financial health remains at 'Outstanding';
- ix. the Committee wished to note the Finance team's hard work.

RESOLVED that:

- i. they approve the list of budget post holders for 2015-2016.**
- ii. they authorise the College Financial Regulations to be updated for the above.**
- iii. they approve the continuation of the London Parks and Green Spaces Forum using the College address for its formal mail for a further calendar year.**

15. MANAGEMENT ACCOUNTS FOR YEAR TO 31 JULY 2015 (Analysis of Outturn for 2014/15)

RECEIVED: Paper 15, from the Director of Finance for Decision

NOTED:

- i. the adjustment required by the Local Government Pension Scheme valuation has meant that College did not achieve the anticipated surplus for the year;
- ii. This would not affect the covenant on the bank loan.

RECOMMENDED TO THE GOVERNING BODY that:

- i. They approve the management accounts and commentary for the year ended 31 July 2015**

16. LETTERS OF REPRESENTATION FOR YEAR ENDED 31 JULY 2015

- (a) relating to the College**
- (b) relating to the Vineyard**

RECEIVED: Paper 16, from the Director of Finance to the Governors for Decision

NOTED:

- i. The Principal explicitly asked if the College needed to bring anything to the Governing Body's attention and Buzzacotts said there were no matters at this time;
- ii. Both letters of representation are required by Buzzacotts as they detail management assurances they received during their audits which need to be approved formally by the Governing Body;
- iii. Damien declared an interest in item (b) as he was signing the papers on the College's behalf;
- iv. that the Vineyard was currently self-funding (based on volunteers and grant aided). The College did not charge a commercial rent but noted that it was not financially subsidising the venture;

RECOMMENDED TO THE GOVERNING BODY that:

- i. They authorise the Chair of the Governing Body and the Principal to sign the Letter of Representation for the financial statements audits of the College for the year ended 31 July 2015 on behalf of the Corporation as part of approving the financial statements for this year;**
- ii. they authorise the Director of Finance, in his capacity as a director of Forty Hall Community Vineyard Limited, to sign the Letter of Representation for the financial statements audit of Forty Hall Community Vineyard Limited for the year ended 31 July 2015 on behalf of the Corporation as part of approving the financial statements for this year.**

17. DRAFT GROUP REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

- (a) relating to the College**
- (b) relating to the Vineyard**

RECEIVED: Paper 17, from the Director of Finance to the Governors for Decision

NOTED:

- i. Both draft financial statements meet all accounting and funding regulatory disclosures;**
- ii. the net pension liability had improved in previous years but has increased this year, this is outside of the College's remit.**

RECOMMENDED TO THE GOVERNING BODY that:

- i. they adopt the accounting policies in the draft Group Report and Financial Statements of the College for the year ended 31 July 2015;**
- ii. they approve the draft Group Report and Financial Statements of the College for the year ended 31 July 2015**
- iii. they adopt the accounting policies in the draft Report and Accounts of Forty Hall Community Vineyard Limited for the year ended 31 July 2015;**
- iv. they approve the draft Report and Accounts of Forty Hall Community Vineyard Limited for the year ended 31 July 2015.**

18. KEY ACCOUNTING RATIOS AND PERFORMANCE CRITERIA FOR 2014/15 AND 2015/16

RECEIVED: Paper 18, from the Director of Finance to the Governors for Decision

NOTED:

- i. Monitoring accounting ratios acts as an early warning indicator**

- ii. The College has an outstanding rating financially, despite the investment in new buildings;
- iii. the need to explore in June 2016 whether to pay off the bank loan.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **They approve the following key accounting ratios for the 2015/16 financial year:**
 - a. **Current Ratio = / > 1.5: 1**
 - b. **Cash days in hand = / > 30 (agreed on 9 July 2014)**
 - c. **Operating surplus > 0**
 - d. **Staff costs = / < 64%**

The cash days in hand ratio was approved by the Governing Body at its meeting on 9 July 2014 for the two years 2014/15 and 2015/16. This is intended to be a short-term variation from the historical standard of 40 days

- ii. **They note that for the 2014/15 financial year the College operated within the key accounting ratios approved by the Governing Body for that year.**

19. MANAGEMENT ACCOUNTS FIRST THREE MONTHS OF 2015/16

RECEIVED: Paper 19, from the Director of Finance to the Governors for Decision

NOTED:

- i. Education Funding Agency recruitment has gone well for this year and the College anticipates additional funding therefore later in the year;
- ii. the income target assumes the receipt of extra funding to reflect over achievement but the actual figures do not reflect this;
- iii. the College's expenditure is within budget.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the management accounts for the first quarter of 2015/16 are recommended to the Governing Body for approval.**

20. REVISED BUDGET 2015/16

RECEIVED: Paper 20, from the Director of Finance to the Governors for Decision

NOTED:

- i. the revised budget reflects significant events that have occurred since the original budget was agreed by Governors in July 2015;
- ii. the College continues to anticipate a small surplus.

RECOMMENDED TO THE GOVERNING BODY that:

the revised budget for 2015/16 be approved

DATE OF THE NEXT MEETING

The date of the next main meeting is scheduled for 5.15pm on Tuesday 8 March 2016.

Doug Fussell
Chair