

BARNSELEY COLLEGE BOARD OF GOVERNORS

MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 7 DECEMBER 2017

PART I

PRESENT

K Dickinson	Governor (Chair)
C Webb	Governor (Principal)
G Beever	Governor
H Jaggar	Governor
S Perryman	Governor

IN ATTENDANCE

S V Fox (PA to the Principal)
Y Koursis (Deputy Principal)
L Lawton (VP Finance)
T Johnson (VP Corporate Services)
P Briscoe (VP Quality and Student Experience)
L Leek (VP Curriculum)
C Canadine (Director of Property and Estates)
S Taylor (Governor designate, observing)

APOLOGIES

17.190 Apologies were received from A Oaks (Clerk to the Board). S Fox acted as Minuting secretary.

S Taylor, governor designate, was welcomed to the meeting.

DECLARATIONS OF INTEREST

17.191 The Chair reminded members of the requirement to declare any financial or personal interests. Members reserved the right to declare any interests should any arise during the course of the meeting. The Chair to the Committee and the Principal declared an interest in respect of being Directors of BCDC and Think Barnsley Limited.

MINUTES

17.192 The Minutes of the meeting held on 3 October 2017 (Part I) were agreed as a true and accurate record and were signed by the Chair.

MATTERS ARISING

17.193 The VP Finance explained that at the previous Committee a discussion had taken place in relation to reviewing different levels of contribution by income stream. Whilst this had been accepted, the VP Finance questioned the value of the exercise and suggested that if the Committee still wished it be undertaken it would be based on the contribution of each department by income stream using a range of assumptions. To provide assurance, she added that financial efficiencies were monitored rigorously via the PR and BP process, Master Target File and the Balanced Scorecard.

17.194 Discussion took place with regard to the different funding methodologies. The Principal provided examples, explaining that the College received £2k and £6k respectively for a Business Apprentice and Engineering Apprentice. The VP Finance and VP Funding, Data & Compliance undertook to make a presentation showing the different income streams and value per student rather than contribution by income streams.

17.195 It was noted that the International travel policy was an agenda item and remaining actions were being actioned, including discussion of a potential Organisational Development strategy to be discussed at the seminar.

FINANCIAL STATEMENTS INCLUDING KEY MANAGEMENT JUDGEMENTS

- 17.196 The VP Finance presented a summary of the Financial Statements, drawing attention to one key change from the report presented to the October Board meeting following the audit in relation to the Learner Support Fund (LSF) and activity. The VP Finance explained that the funding received for LSF was distributed to those learners eligible for it according to the policies in place.
- 17.197 New guidance on the treatment of LSF published by the ESFA confirmed that it must now be recorded as income and expenditure. The VP Finance advised that whilst income would show an increase of £1m and expenditure an increase of £1m it was important to note that it was not income growth. She assured members that this would not impact on the deficit or EBITDA. The ESFA financial health grade for 2016/17 was /good and the College had met its financial targets.
- 17.198 In response to a question from the Chair, the VP Finance confirmed that the Audit Committee had received and considered the Audit Findings at its meeting on 28 November, attended by Grant Thornton. The Findings had been approved for signing off subject to the F&R Committee's review of the financial statements. The VP Finance confirmed there were no issues arising from the findings.
- 17.199 The Audit Committee had acknowledged the requirement for the College to provide a letter of support to Think Barnsley Limited, which was supported by the F&R Committee.
- 17.200 The Chair and Principal declared an interest in respect of being Directors of BCDC and Think Barnsley Limited.
- 17.201 H Jaggar asked the VP Finance if she would explain the purpose of Think Barnsley Limited and the reason why it was important the College continued to provide support. The VP Finance explained the background to the company being established as an Apprenticeship Training Agency in line with funding guidance and how at the outset there had been a Construction company as another arm to it which had since been wound up due to financial losses. She added that the plan to recover the loss was long term and while the Company was making a small surplus every year paying the debt would take time. It had been recognised by the Company that given the changes in apprenticeship funding this presented additional opportunities for the Company's future.
- 17.202 The Chair explained that the Board of Think Barnsley Limited at its recent meeting had discussed whether the debt should be written off to avoid the need for a letter of support each year from the Board. Whilst no decision had been taken, this was an option.

RESOLVED 17.203.1 to recommend the Financial Statements for the College and its subsidiaries for the year ended 31 July 2017 be approved

RESOLVED 17.203.2 to recommend the College provide a Letter of Support to Think Barnsley Limited.

FINANCIAL DASHBOARD AND LETTER ON FINANCIAL HEALTH

- 17.204 The Vice Principal Finance presented the report, explaining that the financial dashboard had been updated following consultation with the sector. She stated that the new version was much more useful and demonstrated the College's performance through prudent planning. The financial health grade was confirmed as Good; in EBITDA, below sector average for staffing ratio and with higher borrowing than the remainder of the sector. The College had planned prudently resulting in an increase in the staffing ratio. A further updated dashboard would be made available in the spring term.
- 17.205 S Taylor queried the increase in the staffing ratio from 2016 to 2018. The VP Finance explained that the actual percentage was 61% after the year end accounts which was not a

significant increase. The VP Finance explained that the college budgeted prudently and that there were a range of costs that would result in some increases and that the College was actively managing staff costs and preparing departments for business planning.

- 17.206 The VP Finance made reference to a letter from the CEO of the ESFA sent to all College Principals and Accounting Officers. The Letter highlighted eight key areas of importance in respect of financial management which had been reviewed in detail by the senior leadership team. The VP Finance assured the Committee that management were confident that they continued to manage the finances of the College robustly and to that end ensured that the Committee and the Board was provided with appropriate and relevant timely information. She reminded members of the ESFA checklist that accompanied the financial plan in July which had been scrutinised by the Committee in July 2017.

The Report was noted and received.

SUSTAINABILITY PILLAR UPDATE

- 17.207 The Committee received a report from the VP Finance highlighting performance against the sustainability pillar balanced scorecard. The Monthly Management Accounts had also been circulated to members in advance of the meeting. Explaining the rag rating, it was noted that the strategic goal to increase income from Apprenticeships was amber due to a budget shortfall of £165k. HE had been rag rated red, and as previously discussed a HE review was underway to address this.
- 17.208 The VP Finance explained that despite shortfalls in income the EBIDTA budget would be met. Overall the College was performing well against the key performance measures. H Jagger asked if management was comfortable that the College could meet the needs of the larger employers. The Deputy Principal replied, stating that the College was constantly reviewing its offer to meet employer needs. The Principal commented that a discussion had taken place at the ESFA Advisory Board meeting regarding levy payers taking a long time (up to two years) to make decisions. This presented a risk as decisions may be made so rapidly that organisations may not have the capacity to deliver. Nationally SMEs (under 50 employees) had a low uptake due to employers seeking to secure large contracts.
- 17.209 In terms of management structure and to provide assurance to the Committee of how well the College is responding, the Principal advised members of the role and responsibilities of the Director of Business Development, Director of Marketing and Communications and the Assistant Principal Apprenticeships. The Report was noted and received.

SUB CONTRACTING

- 17.210 The Committee received a report from the VP Funding Data and Compliance which highlighted some variances in subcontracting to the report approved by the Board in October 2017. The Chair made reference to the changes which highlighted a reduction of £100k in total since the previous report. The report was noted and received.

HUMAN RESOURCES REPORT

- 17.211 The Committee received a report from the VP Corporate Services. Providing an update on pay, the VP CS explained that the pay offer was 1% or £250 (whichever was the greater) and was being recommended to the Board for implementation with effect from 1 January. In respect of the Trade Union responses, UCU had undertaken a consultative ballot but would not be balloting for strike action; Unison had undertaken a consultative ballot and would be campaigning locally, and MiE/ATL/GMB had all reluctantly accepted the offer. The VP CS commented that this reduced the risk of industrial action as there would be no nationally coordinated action for 2017/18.
- 17.212 The College was currently considering options to improve non-financial rewards for staff. The most significant option related to current annual leave entitlement which was slightly below the rest of the sector. There was scope to increase leave entitlement, which management

believed might improve recruitment and retention as part of a wider package of benefits. The VP CS advised that this was to be discussed further with Trade unions after Christmas with a view to agreeing changes. The Board would be kept informed and approval sought for any changes prior to implementation in August 2018.

- 17.213 In response to a question from S Perryman regarding salary sacrifice schemes, the VP Corporate Services confirmed that there was one in place but the options had been reduced by the government. Responding to further questions from S Taylor regarding the introduction of non-financial rewards, the VP CS confirmed that there were no concerns regarding staff retention, however the Unions had raised the subject of non-financial rewards with management and the College were continuing to explore them. H Jagger believed this was an appropriate way forward given the College's strategic goal to be an employer of choice.
- 17.214 The VP CS referred to the accident statistics commenting that there had been fewer accidents compared to the same time last year. There had been one RIDDOR accident. The Construction Department had reduced their year to date accident rate from 11 to 9 and there had been interventions regarding the wearing of PPE that had led to a member of staff leaving the College. Senior managers had attended IOSH Directing Safely training in November.

The Report was noted and received.

INTERNATIONAL TRAVEL POLICY

- 17.215 The Committee received the International Travel Policy, which was an operational policy associated with the Financial Regulations. Given it was a new Policy it had been presented to both Audit and Finance Committees for information and completeness. Following a question from S Taylor regarding safety risk assessments and travel management company, the VP Finance confirmed that the College books some trips through a travel management company, and explained the role of the Whole College Duty Managers.

The Report was noted and received.

ANNUAL CAPITAL EXPENDITURE

- 17.216 The Committee received a report highlighting annual capital expenditure at a budget of £1.9m. Annual capital costs in excess of £50k had been summarised for information. Further to the Committee's request at the last meeting to pare down the detail, members felt that expenditure against key headings would also be helpful, for example the total figure for IT, or buildings. The VP Finance undertook to provide this in the next report.

The Report was noted and received.

CYCLE OF BUSINESS

- 17.217 The Committee received a copy of the proposed cycle of business for 2017/18, highlighting those reports that would be presented to the Committee separately to the balanced scorecard. The Deputy Principal commented that it would be helpful for members of the Committee to review the future agenda items and confirm whether they believed it met the expectations of the Committee. Members agreed to review the business cycle and to feed back comments to the Chair.

DATE OF NEXT MEETING

- 17.218 The next meeting would be held on Wednesday 7 March 2018 at 4.00 pm.

End of Part I

Signed _____ Chair Date _____