

**Finance & General Purposes Committee of Corporation
Minutes of meeting 233 held on 22 September 2016**

- Present:** John Wilson (Chair), Jim Darmody (member), Mike Noddings (Vice-Chair), Mark Moore (member), Phil Taylor (member), Jay Trivedy (Principal)
- Clerk:** Fiona Bagchi
- In attendance:** Bill Jackson (Director of Network & Information Services), Anna Lamplough (Director of Finance), Dina Lewis ((Corporation member designate as an observer), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal), Ian Taylor (Assistant Principal)

233 .1 Apologies for absence

There were no apologies for absence.

233 .2 Declaration of interests

There were no declarations of interest.

233 .3 Election of Chair & Vice-Chair

John Wilson was elected Chair of the F&GP Committee for 2016/17: proposed Mike Noddings, seconded Phil Taylor.

Mike Noddings was elected Vice-Chair of the F&GP Committee for 2016/17: proposed John Wilson, seconded Phil Taylor.

Minutes & matters arising

233 .4 Minutes of meeting 231 held on 4 July 2016, incl. the confidential minutes

The minutes of meeting 231 held on 4 July 2016, including the confidential minutes, were approved with a typographical amendment to the Designated Safeguarding Person's name at minute 231.7.

Action: Clerk

233 .5 Matters arising from the above minutes and actions

(Matters arising below are numbered according to their position in the Action Points table appended to the end of the minutes of the previous meeting. The reference to where the action can be found in the minutes is given in brackets at the end of each item).

- 1 The Chair signed the Committee's effectiveness questionnaire (231.4).
- 2 The agreed sections of the confidential minutes produced during 2014/15 had been released from confidentiality (231.4).
- 3 The College's updated fire and security alarm evacuation would be brought to Corporation members' attention at the Sept. 2016 Corporation meeting (231.7).
- 4 Mark Moore, a Committee member, had e-mailed the Director of Finance, Anna Lamplough, concerning a detailed query relating to the forecast improvements to the 2016 plan on income & expenditure and cash flow , as agreed at the 4 July 2016 meeting i.e. the £68.3k 2016 forecast improvement to the 2016 plan on the income & expenditure (I&E) account and the £241.8k 2016 forecast improvement to the 2016 plan on cash

flow.

It was noted that the Director of Finance's response had confirmed that: the improvement to the I&E account was largely explained in the management accounts narrative, i.e. the increased profit from catering (£55k forecast against a budgeted £13k) plus savings on examination fees £20k; the bank balance predicted at year-end of £368k was derived from the financial plan which was submitted to the EFA in July 2015; the improvement in cash flow of £242k comprised the £68k improvement in I&E, the Barclays loan repayments were £90k less than forecast as the revolving credit facility termed out into a fixed loan later than anticipated, in-year campus fees of £30k were not included in the plan and bursary funds received and not yet paid out but accrued were £50k (231.10).

- 5 Accounting policy changes had been approved at the July 2016 Corporation meeting, on the recommendation of the Committee (231.11).
- 6 The 2016/17 budget, the 3-year financial plan 2016-18, and the key financial performance indicators and financial objectives had been approved at the July 2016 Corporation meeting, on the recommendation of the Committee (231.12).
- 7 The approved financial plan statement had been signed by the Principal at the July 2016 Corporation meeting. John Wilson, as Chair of Corporation, therefore signed the completed Financial Planning Handbook 2016-18 Checklist (231.13).
- 8 A report on the receipt by the Corporation of the EFA/SFA annual key financial dashboards benchmarking report was on the agenda (231.16).
- 9 The Clerk has contacted Corporation members concerning attendance at Area Based Review (ABR) Corporation briefing sessions to be held in Oct. 2016 and Jan. 2017, as agreed. It was noted that the Chair and Vice-Chair of Corporation would meet with the ABR reviewers on 13 Oct. 2016 (231.16).
- 10 John Wilson had attended the July 2016 staff meeting (231.16).

[Confidential minute].

233 .6 Minutes of Special meeting 232 held on 20 July 2016, incl. matters arising and actions

The minutes of Special meeting 232 held on 20 July 2016 were approved.

Matters arising from the above minutes and actions

(Matters arising below are numbered according to their position in the Action Points table appended to the end of the minutes of the previous meeting. The reference to where the action can be found in the minutes is given in brackets at the end of each item).

- 1 Members noted that the Committee's decision concerning the purchase of Dell PCs, on the grounds of value for money and reliability, had been implemented (232.3).

Student numbers & funding & data protection

233 .7 Student numbers & funding report

Bill Jackson, Director of Network & Information Services, presented the student numbers and funding report for Sept. 2016.

The Committee noted with reference to retention, pass rate and achievement rates that:

- The end of year R13 ILR (Individualised Learner Record) had been submitted to the Skills Funding Agency (SFA) and Education Funding Agency (EFA) for the

2015/2016 academic year and the current position concerning student results could be seen in the table attached to the report, with any further results received to be reflected in the final R14 ILR due for submission to the funding bodies in Oct. 2016;

- At Level 3, which was the College's core business, the College's 2016 retention rate was 94.3% (2015: 94.5%), the pass rate was 94.7% (2015: 93.4%), and the achievement rate was 89.3% (2015: 88.2%);
- The national benchmarks for retention, pass and achievement rates for 2014/2015 were, respectively 94.8%, 92.6%, 87.8%;
- At Level 2, retention, pass and achievement rates for 2016 were respectively 92.7%, 99.2%, 91.9% which showed an improvement on 2015 (2015: 91.2%, 91.6%, 83.5% respectively) and were above 2014/15 national benchmarks.

Members noted in discussion:

- Improvements in performance where appropriate at level 3 for 2016 compared to 2015 and benchmark at Level 3, noting, however, that there was scope for further improvement in retention;
- The significant improvements at Level 3 retention and pass rates in 2016 compared to 2015 and that results exceeded the 2014/15 benchmarks, noting also that the 2015/16 cohort was smaller than the 2014/15 cohort and had undertaken mainly GCSEs;
- The Level 2 pass rates for the purpose of the table including A*-G passes, with differentiated results due to be presented to the Sept. 2016 Corporation meeting.

The Committee considered the report on student numbers for 2016/2017, noting that:

- The College currently appeared likely to achieve its census date target for student numbers of 1,950 [*confidential minute*] and could therefore be expected to maintain its EFA funding allocation for 2017/18 under the lagged funding system;
- The overall student numbers total currently included 4-5 adult students and the College was therefore likely to be below its SFA funding allocation.

Members noted in discussion the College's professional approach to enrolment including late applications, [*confidential minute*], noting that the cohort recruited were well-qualified. [*Confidential minute*] John Wilson, as Chair of the Corporation, reported that he had met with staff appointed in 2016 and had emphasised the key role of all staff in the student recruitment and enrolment process.

It was noted in response to members' questions that the College's approach to enrolment and retention was to ensure that students received appropriate course guidance.

The Committee received the College's Sept. 2106 student numbers and funding report and congratulated staff on a successful outcome to student recruitment and enrolment for 2016/17.

Health & Safety (H&S) & property matters

233 .8 H&S Committee report

The Committee noted that the College's Health & Safety Committee were next scheduled to meet in Oct. 2016, with a report being made to the F&GP Committee's Nov. 2016 meeting.

(Dina Lewis joined the meeting as an observer).

233 .9 Property strategy

The Committee noted that a report on the College's property strategy would be considered under agenda item 233.15 (Report on strategic matters) later on the agenda.

Financial Matters:

233 .10 Management accounts, incl. KPIs & cashflow - July 2016

The Director of Finance presented the management accounts for July 2016.

Members considered the management accounts for July 2016, including the key performance indicators, noting that the operating surplus at the end of July 2016 was £205.9k compared with a budgeted surplus of £13.2k.

The Committee received the July 2016 management accounts, congratulating the Director of Finance on a significant the improvement on budget.

233 .11 Annual report on compliance with tendering regulations

The Director of Finance presented the College's annual report on compliance with tendering procedures.

Members noted that:

- 3 tender exercises had been carried out during the 2015/16 financial year in respect of contracts with a value in excess of £25,000 excluding VAT, with all 3 presented to the F&GP Committee as required under the College's Tendering Contracts Procedures document;
- The College tendering procedures had been followed on all 3 occasions and decisions had been made on the basis of best value for money for the College.

The Committee received the College's annual report on compliance with tendering procedures, agreeing that no amendments were required to the Tendering Contracts Procedures document.

233 .12 EFA/SFA annual key financial dashboards benchmarking report

The Committee noted that the EFA/SFA annual key financial dashboards benchmarking report (based on 2014/15 data and 2015/16 and 2016/17 financial plans) had been presented to the July 2016 Corporation meeting.

Committee matters

233 .13 Annual review standing agenda items and terms of reference

The Committee noted that an annual review of the Committee's standing agenda item list and terms of reference was a standing agenda item for the autumn term meeting of the Committee.

Members noted that the Clerk was recommending no change to the Committee's terms of reference and was proposing updating changes to the Committee's standing agenda item list, which reflected the Committee's current practice.

The Committee completed its annual review of its standing agenda item list and terms of reference, agreeing to recommend revisions to the former to Corporation for approval.

Action: Chair

Student residential & overseas visits

233 .14 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal, Jay Trivedy, reported on the following student visits due to take place in 2016/17:

- A visit to Mount Kilimanjaro in June/July 2017;
- A 2-week visit by 12 students and 2 staff members to Thailand to teach English and visit schools.

It was noted in relation to members' questions concerning risk assessments for the above visits that:

- Appropriate risk assessments had been undertaken for both proposed visits;
- In the case of the Thailand visit, due diligence and a risk assessment had been undertaken by Julie Peaks (Vice-Principal) and another staff member who had made

a preliminary visit to the country.

The Committee received the Principal's report on proposed overseas visits.

Strategic matters

233 .15 Report on strategic matters, incl. property strategy & incl. update on Area Based Reviews (ABRs) & academisation

(i) Property strategy

The Committee received a report from the Principal, Jay Trivedy, and Vice-Principal, Mark Rothery, on accommodation changes which had taken place during summer 2016.

Members noted in discussion that:

- In excess of 50% of staff had moved offices during the summer, including as a result of changes arising from the introduction of 4 Faculties from 2016/17;
- Changes included the Ash building staff room becoming an IT suite for BTEC Media students, a new staff room created over the Art Department, a larger Senior Tutor room, moving the HR advisor's room to a more private location, room relocations relating to the senior management team now including 2 Vice-Principals and 2 Assistant Principals, a separate office adjoining the Finance Department for the Director of Finance;
- A university research room, with computers and interactive whiteboards, sponsored by the University of Hull, had been created in Oak 32 which would be used by Extended Project Qualification (EPQ) students and Flyers, and for meetings;
- Appropriate logos concerning the University's sponsorship would be added to Oak 32 shortly and an official opening held.

The Committee received, for information, a report on capital works undertaken during summer 2016 and asked that the Committee's thanks to the University of Hull for sponsorship of the College's university research room should be recorded in the Committee's minutes.

(ii) Area Based Reviews (ABR)

Ian Taylor (Assistant Principal & ABR lead) reported that:

- The ABR College Visit Information template and supporting documents had been sent to the ABR team;
- Neil Hopkins (Dept. for Education (DfE) appointed advisor supporting Sixth Form College Commissioner Peter Mucklow in the ABR process, former Principal of Peter Symonds College and, executive director of the Maple Group of sixth form colleges from 2013 to 2015) and John Boyle (adviser to Sixth Form College Commissioner Peter Mucklow, Chair of Blackpool Sixth Form College and recently appointed as Sixth Form Colleges' Association (SFCA's) Funding and Finance Hub lead) would visit the College on 13 Oct. 2016;
- A schedule for the visit on 13 Oct. 2016 had been agreed;
- An introductory ABR meeting for Governors and Principals would be held at York College on 6 Oct. 2016, followed by the first ABR Steering Group meeting.

[Confidential minute].

The Committee received and discussed an update on the Area Based Review (ABR) process.

Appendix A: Information Pack - Documents from outside bodies

233 .16 Documents from the EFA, SFCA, DfE, BIS & other outside bodies

The following briefings were considered:

- Extracts from Sixth Form Colleges' Association (SFCA) Updates July - Sept. 2016;
- Shakespeare Martineau FE Bulletin (Aug. 2016) - briefing on charities & litigation

Members noted that:

- The Department for Education (DfE) had yet to publish a series of guidance documents on implementation and due diligence, which had been due for release in

July 2016, and that the final reports for most completed ABRs had also yet to be published;

- The Charity Commission had recently published a guide to highlight key considerations for trustees who were considering taking or defending legal action on behalf of a charity, noting Shakespeare Martineau's advice, in this context, on the importance of colleges obtaining and sharing with their corporation members legal advice as to the merits of such action and likely costs, the corporation reviewing ongoing litigation at regular intervals, and the use of alternative settlement methods (e.g. mediation) where possible.

The Committee received briefings from the Sixth Form Colleges' Association (SFCA) and law firm, Shakespeare Martineau, for information.

Appendix B

233 .17 ***It was noted that the Student numbers & funding report and the H&S report had been considered at agenda item 7 and 8 respectively.***

Final matters

233 .18 **Any other business**

There was no other business not identified at the meeting.

233 .19 **Risk management – items identified at the meeting**

No new items of risk were identified at the meeting.

233 .20 **Dates of next meeting**

It was noted that the Committee was scheduled to meet on Tues. 1 Nov. 2016 at 4.30pm.

Mike Noddings sent apologies for the meeting.

Action: Clerk

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 234, held on 1 November 2016**

Present: John Wilson (Chair), Jim Darmody (member), Mark Moore (member), Phil Taylor (member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal), Ian Taylor (Assistant Principal), Alan Woodcock (Premises Manager)

234.1 Apologies for absence

Apologies were received from Mike Noddings (Vice-Chair) and Anna Lamplough (Director of Finance).

234.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

234.3 Minutes of meeting 233 held on 22 Sept. 2016, incl. the confidential minutes

The minutes of meeting 233 held on 22 Sept. 2016, including the confidential minutes, were approved.

234.4 Matters arising from the above minutes and actions

(Matters arising below are numbered according to their position in the Action Points table appended to the end of the minutes of the previous meeting. The reference to where the action can be found in the minutes is given in brackets at the end of each item).

- 1 It was noted that the College's fire and security alarm evacuation procedures had been brought to Corporation members' attention at the Sept. 2016 Corp. meeting, as agreed (233.5).
- 2 The F&GP Committee's updated standing agenda item list had been approved at the Sept. 2016 Corporation meeting, on the recommendation of the Committee (233.13).
- 3 A presentation on Ofsted's Common Inspection Framework (CIF) had been given at the Sept. 2016 Corporation meeting (233.15).
- 4 The Area Based Review (ABR) options appraisal had been included on the Sept. 2016 Corporation agenda, as agreed (233.15).
- 5 The Clerk had recorded Mike Noddings' apologies for the Nov. 2016 F&GP Committee meeting (233.20).

[Confidential minute].

Student numbers & funding & data protection

234.5 Student numbers & funding report

The student numbers and funding report for Oct./Nov. 2016 was presented by the Director of Network & Information Systems (NIS), Bill Jackson.

Members noted that:

- The College was preparing its first Individualised Learner Record (ILR) run of 2016/2017, with it currently being anticipated that the College would be close to its learner numbers funded allocation for 2016/17 [*confidential minute*];
- With around 10 exceptions, all of the enrolled students had full time 540 hour programmes (or 450 for 18 year old students);
- The learner numbers total reported in the College's R04 funding return would form the baseline for lagged numbers for the 2017/18 academic year.

It was noted in response to members' questions that the monthly student numbers and funding report would include reports against student retention from the Committee's Dec. 2016 meeting.

The Committee received the College's student numbers and funding report for Oct./Nov. 2016, noting that the College appeared to have achieved its 2016/17 learner numbers funded allocation.

Health & Safety (H&S) & security matters

234.6 H&S Committee report: H&S Committee minutes of 19.10.16

Alan Woodcock, Premises Manager, presented the H&S Committee minutes of 19 Oct. 2016, which were discussed.

Members noted that:

- The first scheduled drill of the academic year had taken place on 17 Oct. 2016, with all areas successfully cleared within five minutes and actions for further improvements agreed at the Oct. 2016 H&S Committee meeting e.g. actions relating to room clearing priorities and ensuring that students did not congregate around exit doors;
- Training would be arranged for new support staff to ensure that the call screening system for first aid worked more efficiently;
- A discussion concerning the replacement of the paper-based system of departmental risk assessments had taken place at the H&S Committee meeting, with it being noted that the Premises Manager was considering the development of an in-house on-line system similar to the *Venture* system used to risk assess trips and visits;
- The Accident Book showed a total of 11 minor, 1 major, and no dangerous occurrences between May 2016 and Oct. 2016.

It was noted in response to members' questions:

- If the College decided to develop an in-house on-line system for departmental risk assessments, appropriate consideration would be given to ensuring that, as far as possible, all possible risks would be covered;
- With reference to the major occurrence recorded in the Accident Book concerning a contractor who had trapped his finger in a door amputating the fingertip, the contractor had been taken to hospital by a colleague and a RIDDOR entry had been completed;
- The above incident was considered under the contractor's insurance policy rather than the College's insurance policy, as the College had provided a safe working environment i.e. the accident had not arisen from any negligence on the part of the College;
- A staff member who fell down the stairs and injured her shoulder and neck had lost her footing, with no contributory factors being found

The Committee received the Oct. 2016 minutes of the College's Health & Safety Committee.

234.7 Annual security report

Alan Woodcock reported that there had been 4 security incidents on site in 2015/16 of which 2 related to bike theft (2014/15: 13 incidents, of which 12 related to bike theft or attempted

bike theft).

The Committee received the College's 2015/16 security report, noting the significant fall in incidents since 2014/15.

(Bill Jackson and Alan Woodcock left the meeting).

Financial Matters:

234.8 Management accounts, incl. KPIs & cashflow

The Principal, Jay Trivedy, presented the management accounts for Sept. 2016.

Members noted that:

- The operating surplus at the end of September was £93k compared with the budgeted surplus of £66.3k, with the improved position due to underspends in the pay and non-pay budgets.

It was noted in response to members' questions concerning staff pay expenditure the College has spent £14.4k less than budgeted on overall pay costs as the staffing contingency budget had not been drawn upon and a budgeted inflationary 1% inflationary rise in staff pay had not yet been agreed or paid, there were some overspends relating to overtime and temporary staff utilised during enrolment and as a result of role handovers, and some underspent areas due to vacancies and unused budgeted overtime.

The Committee received the management accounts for Sept. 2016, noting that the operating surplus for Sept. 2016 was above the budgeted surplus.

234.9 Annual ERPF pension report

The Committee considered the report on the actuarial valuation for Financial Reporting Standard (FRS) 102 purposes as at 31 July 2016 relating to the East Riding Pension Fund (ERPF), which was part of the Local Government Pension Scheme, and was the pension scheme applicable to the College's support staff. It was noted that FRS 102 first came into effect for accounting years starting on or after 1 Jan. 2015 and replaced FRS 17.

The Committee received the College's 2015/16 pension report on the East Riding Pension Fund (ERPF), noting an increase in the College's share of the overall scheme deficit from £638k as at 31 July 2015 to £918K at 31 July 2016.

234.10 Financial management processes & controls report: Finance Dept structure update

The Committee noted that a Financial Management Processes and Controls review had been undertaken by an independent consultant in Nov. 2013, with a table of recommendations/actions arising from the report compiled in Dec. 2013 which had been monitored by the F&GP Committee. Members noted that one action was ongoing i.e. action 2 (Review and revise the structure of the finance department to ensure that the senior finance professional is supported by a part-qualified deputy and that there is adequate administrative resource to cover all finance and other functions, as necessary, throughout the year).

The Principal gave a verbal report on plans to re-structure the finance department following the finance assistant's recent decision to leave the College. Members noted that it was proposed that the finance assistant should be replaced by a staff member working fewer hours at a lower level than the current assistant and that a part-time, more senior member of the team (e.g. a part-qualified accountant) should be appointed who could undertake some of the lower level supervisory work currently undertaken by the Director of Finance. Members noted that the proposal would allow the Director of Finance to concentrate more on strategic matters and would also allow her to reduce her current hours of work.

The Committee received an update on the Financial Management Processes and Controls action table.

234.11 Monitoring against the strategic plan financial objective to maintain a Satisfactory financial health rating

The Committee noted that the Strategic Plan approved by the Corporation in May 2015 had included accompanying evidence/action tables relating to specific strategic aims, including an operational table which referenced monitoring by the F&GP Committee and Corporation in relation to the objective to maintain a Satisfactory financial health rating. Members noted that the Committee had reviewed progress against this objective during summer term 2015 with reference to the 2014/15 academic year and undertook a review with reference to the 2015/16 financial year .

Members noted that the evidence columns in the monitoring table showed that:

- The F&GP Committee and the Corporation had carried out monitoring activities in relation to the financial health rating objective in 2015/16 with reference to the operational plan;
- The July 2016 meeting of the Corporation had approved the College's financial plan 2016-18, on the recommendation of the F&GP Committee, noting that (under the SFA/EFA's new financial health grade system) the College was reporting a grade of Satisfactory for 2015/16, forecast to improve to Good in 2016/17 (due to increased funding, reduced examination costs, and lower teaching staff expenditure), but moving back to Satisfactory in 2017/18.

Members noted that the Corporation had approved a revised Strategic Plan in Sept. 2016 and received an extract from the Plan showing the new strategic drivers and aims in relation to finance matters.

The Committee completed its review of the table showing monitoring undertaken by the Corporation and F&GP Committee in 2015/16 in relation to the objective to maintain a Satisfactory financial health rating contained in the Strategic Plan approved in May 2015, noting that all monitoring actions had been completed.

234.12 External audit regularity & propriety self-assessment questionnaire (SAQ) checklist 2015/16

The Clerk reported that the Skills Funding Agency (SFA) and the Education Funding Agency (EFA) had issued, in June 2016, a new regularity & propriety requirements self-assessment questionnaire (SAQ) as part of the new Joint Audit Code of Practice (JACOP) in force from 1 Aug. 2016.

Members noted that:

- The SAQ was used by the College's external auditors, RSM, when reviewing regularity & propriety requirements;
- It was reviewed by the Audit Committee annually, with the College's draft 2015/16 SAQ having been reviewed at the Oct. 2016 Audit Committee meeting, with the external auditors subsequently requesting some clarifications and the addition of a missing 5th bullet point at Q.7;
- The requirement for the SAQ to be signed by the Chair of the Corporation and the Principal (as Accounting Officer) at a "committee meeting" was a new requirement under the JACOP in force from 1 Aug. 2016;
- As the Chair and Principal were not permitted to be members of the Audit Committee under the JACOP, the SAQ was therefore being presented to the Finance & General Purposes (F&GP) Committee meeting for review and signing.

The Committee received the final version of the College's self-assessment questionnaire (SAQ) 2015/16, which was signed by the Chair of Corporation & the Principal as Accounting Officer, as required under the Skills Funding Agency (SFA) and the Education Funding Agency (EFA) Joint Audit Code of Practice (JACOP).

234.13 Annual review of Freedom of Information (FOI) charging policy

The Clerk reported that:

- The Corporation had approved the College's FOI charging policy in July 2010 on the

- recommendation of the F&GP Committee;
- Section 6 of the policy required the F&GP Committee to review the policy annually;
- Under the Committee's terms of reference the annual review took place during the autumn term;
- The Clerk was recommending no change to the policy.

It was noted in response to members' questions that almost all FOI requesters wished to receive a reply by e-mail, which would normally incur no charge.

The Committee completed its annual review of the College's Freedom of Information (FOI) charging policy, agreeing that no revisions were required.

Committee matters

234.14 Annual review of Committee checklist, PIs & financial & risk management effectiveness questionnaire

The Committee reviewed its 2015/16 performance checklist, noting it was fully compliant.

Members noted that all performance indicators (PIs) for 2015/16 had been met or exceeded with the following exceptions: standing agenda items considered at the relevant meeting (97% against a target of 100%); dispatch of papers 7 days before the meeting. It was agreed with reference to the papers sent out for the current meeting that committee meetings should, if possible, not be held in the week immediately after half-term in future.

Action: Clerk

The Committee considered responses and grades for the sections in the annual questionnaire on the Committee's role in overseeing finance & risk (which was based on an LSIS governance effectiveness model questionnaire). Members noted in discussion that:

- While Question 3 (risk appetite) and Question 5 (proposed changes to the governance of finance and risk) included evidence and action columns, they did not attract a grade;
- Since the appointment of the current Director of Finance in 2014, the College had significantly improved the effectiveness of its risk management system (Question 1), the Corporation was able to discharge its responsibility for the assets and solvency of the College effectively through the review of timely and accurate (if conservative) forecasts and management accounts (Question 2), the management accounts were regularly reviewed by the College's senior management team (SMT) which made effective use of them as a management tool, Corporation members commented effectively on the College's financial situation at Corporation and F&GP Committee meetings (Question 4).

The Committee noted that Questions 1, 2 and 4 were currently graded as Good and debated whether sufficient progress had been made to change the grade to Outstanding.

The Committee completed its 2016/16 performance checklist and reviewed the Committee's performance indicators and the effectiveness questionnaire on financial management and risk. The Committee agreed that the provisional grades for Questions 1, 2 and 4 of the questionnaire should remain Good, with a final review of grading to be undertaken following review of the College's annual report and financial statements and the financial statements/external auditor's audit findings report at the Committee's Dec. 2016 meeting.

Action: Clerk

Student residential & overseas visits

234.15 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported, with reference to the general procedures for trips and visits that, while all members of the College's senior management team (SMT) were copied into relevant correspondence about trips and visits, one member of the College's senior management team would be designated as having overall responsibility for a particular trip

and would, for example, keep their 'phone on for 24 hours when on duty.

The Committee received a general report from the Principal on SMT involvement in trips and visits.

Strategic matters

234.16 Report on strategic matters, incl. property strategy, & update on Area Based Reviews (ABRs) & academisation

The Committee considered a verbal update on the ABR process. John Wilson, as Chair of the Corporation, provided a summary of the York, North Yorkshire, East Riding and Hull Area Review Steering Group 1 meeting held in York on 6 Oct. 2016.

Members noted that:

- The Steering Group 1 meeting had been preceded by a general introduction to the ABR process, which had been open to the corporation members of all participating colleges;
- The Steering Group meeting had been attended by the chair of corporation and principal of each college, representatives from the Department for Education (DfE), local authority and Local Enterprise Partnership (LEP) representatives, and Peter Mucklow (Chair of the Steering Group & Sixth Form College Commissioner) and Steve Hutchinson (Deputy FE Commissioner) i.e. around 40 people;
- Presentations had been made by the LEP and local authorities on the perceived needs in their areas, including information on colleges and school sixth forms;
- *[Confidential minute]*;
- There had been brief presentations on colleges e.g. covering estates, student numbers, financial situation;
- It was noted, with reference to student demographics, that numbers in the relevant age groups appeared to be decreasing in more rural areas (including the E. Riding of Yorkshire) but increasing in the Hull area;
- The Steering Group 2 meeting would be held in Selby on 3 Nov. 2016.

It was noted in response to members' questions that the Sixth Form College's Commissioner, Peter Mucklow, had confirmed that the ABR team were not approaching the meetings with preconceived ideas on outcomes and that it was understood that decisions on options could legally only be taken by the independent corporations of the individual colleges taking part in the review.

John Wilson summarised the ABR site visit to the College which had taken place on 13 Oct. 2016 and distributed the confidential report arising from the visit, which was discussed.

Members noted that:

- The visit had been undertaken by John Boyle (adviser to the Sixth Form College's Commissioner, Chair of Blackpool Sixth Form College, Sixth Form Colleges' Association (SFCA) Funding and Finance Hub lead) and Neil Hopkins (adviser to the Sixth Form College's Commissioner, former Principal of Peter Symonds College, and former executive director of the Maple Group of sixth form colleges);
- John Wilson (as Chair of the Corporation and the F&GP Committee) and Mike Noddings (as Vice-Chair of the Corporation and Chair of the Curriculum & Quality Committee) had met with John Boyle and Neil Hopkins on behalf of the Corporation;
- The feedback from the meeting was considered to have been positive;
- *[Confidential minute]*.

The Committee received an update on the Area Based Review (ABR) process.

Appendix A: Information Pack I - updated ABR guidance

234.17 Updated ABR guidance

The Committee received the following documents, for information:

- The FE Commissioner's letter to Chairs and Principals concerning the ABR process (25 Aug. 2016);
- DfE: Becoming a 16-19 academy: advice for colleges (updated Oct. 2016);
- A link (<https://www.gov.uk/government/collections/further-education-area-reviews-guidance-for-providers>) to other updated DfE guidance on ABRs i.e. guidance for Local Enterprise Partnerships (LEPs) and local authorities (LAs) (Oct. 2016), guidance on restructuring (Oct. 2016), funding to restructure colleges (Oct. 2016), due diligence framework (Oct. 2016).

Appendix B: Information Pack II - other documents from outside bodies

234.18 Documents from the EFA, SFCA, DfE, BIS & other outside bodies

The Committee received the following documents, for information:

- An article from the Times Educational Supplement (TES, 20 Oct. 2016) - Area review process 'flawed', claims SFCA;
- Association of Colleges (AoC) briefings on the AoC having instigated a judicial review of Government rules for new school sixth forms (Sept. & Oct. 2016).

Final matters

234.19 Any other business

The Principal reported that he had written to the Education Secretary, Justine Greening, concerning the Government's policy on grammar schools and had invited her to visit the College. She had replied, noting the Government's commitment to social mobility, the value they placed on the contribution of sixth form colleges and referring, in particular, to the high rate of students progressing from the College who were the first in their family to access higher education. It was noted that she had asked her diary team to contact the College should an opportunity to visit the College arise in the future.

The Committee received a copy of a letter to the Principal from the Education Secretary, Justine Greening, and agreed that it should be presented to the Dec. 2016 Corporation meeting.

Action: Clerk

234.20 Risk management – items identified at the meeting

No new items of risk were identified at the meeting.

234.21 Date of next meeting

It was noted that the Committee was next scheduled to meet on Mon. 5 Dec. 2016 at 4.30pm.

Phil Taylor gave apologies for the above meeting.

Action: Clerk

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 235, held on 5 December 2016**

Present: John Wilson (Chair), Mike Noddings (Vice-Chair), Jim Darmody (member), Mark Moore (member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Anna Lamplough (Director of Finance), Mark Rothery (Vice-Principal)

235.1 Apologies for absence

Apologies were received from Phil Taylor, a Committee member.

Apologies were also received from the following managers: Bill Jackson (Director of Network & Information Services), Julie Peaks (Vice-Principal), Ian Taylor (Assistant Principal).

235.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

235.3 Minutes of meeting 234 held on 1 Nov. 2016, incl. the confidential minutes

The minutes of the meeting held on 1 Nov. 2016, including the confidential minutes were approved.

235.4 Matters arising from the above minutes and actions

(Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It was noted that it had been agreed that committee meetings should, if possible, not be held in the week immediately after half-term in future (234.14).

Action: Clerk

- 2 The F&GP Committee's 2015/16 effectiveness questionnaire on financial management & risk was on the agenda for final review and approval (234.14).

- 3 A copy of a letter to the Principal from the Education Secretary, Justine Greening, was on the draft agenda of the Dec. 2016 Corp. meeting, as agreed (234.19).

- 4 The Clerk had given Phil Taylor's' apologies for the current meeting (234.21).

[Confidential minute].

235.5 Annual review of confidential minutes

It was agreed that this item should be reviewed at agenda item 235.23 (Appendix A)

later on the agenda.

Student numbers & funding

235.6 Student numbers & funding report

It was agreed that this item should be reviewed at agenda item 235.23 (Appendix A) later on the agenda.

Health & Safety (H&S) & property matters

235.7 H&S Committee report

It was noted that, as no H&S Committee meetings had been held since 1.11.16, there was nothing to report under this item.

Financial Matters

235.8 Management accounts, incl. KPIs & cashflow Oct. 2016

(Jim Darmody joined the meeting during this item).

The Director of Finance, Anna Lamplough, presented the management accounts to 31 Oct. 2016, including the financial key performance indicators (KPIs) and cashflow, which were discussed.

Members noted that:

- The operating surplus at the end of Oct. 2016 was £135.4k compared with a budgeted surplus of £99.5k;
- The improved position was primarily due to income in excess of that budgeted e.g. trading income was £30.7k in excess of budget, with the College having 2 additional overseas students, catering income being higher than forecast, examination re-sit income having been received but not budgeted for until Feb. 2017;
- College trip income was £5k more than budgeted, although this was offset by the additional cost of trips;
- Non-pay expenditure was £20k more than budgeted, with the largest area of overspend being the marketing budget, which was overspent by £16.8k, mainly due to the budget profile for the prospectus being in twelfths while the full cost had already been incurred;
- The College had spent £22k less than budgeted on overall pay costs, with teachers' pay underspent by £26k, mainly due to the staffing contingency budget not yet having been drawn upon and also because a 1% inflationary rise for teachers, which had been included in the budget, was not effective before Jan. 2016.

Members noted the following responses, supplied by the Director of Finance to queries raised by e-mail by members before the meeting:

- Budget adjustments were mainly due to College trip income and general sales income not included in the original budget upload;
- The full year forecast surplus was still £397.8k;
- Non-pay teaching support was £7.8k adverse to plan mainly due to College trips being overspent by £5k, as noted above, and an overspend on enrichment sport, where grant money had not yet been received;
- £6.7k less than the plan had been spent on the minibus due to the budget profile being in twelfths, with little spend in period 1;
- The Director of Finance tended not to 'accrue to budget' e.g. the Principal's Fund, was released to the Income & Expenditure account each month rather than being accrued;
- The budgeted cash balance for 31 Oct. 2016 was £1,658,908;
- Administration and MIS pay were overspent due to overtime and temporary staff utilised during enrolment and handover of roles in relation to the Office and the Registrar.

It was noted in response to members' questions that the 'Principal's Fund' was actually a contingency budget, which could be used for a variety of expenditure not otherwise included in the annual budget on application to the Principal e.g. additional support for trips and visits, displays, marketing.

The Committee received the management accounts for Oct. 2016, noting that the operating surplus was above budget at £135.4k.

235.9 Report on covenants relating to bank loans

The Director of Finance presented the College's annual report on covenants relating to bank loans.

Members noted the original financial covenants (i.e. pre-implementation of Financial Reporting Standard (FRS) 102) on the Lloyds Bank Loan and Barclays Bank Loan. The impact of FRS 102 on the Lloyds covenants was considered, noting that:

- A Lloyds Bank representative had confirmed that the bank intended to work with clients and avoid any situation where clients were adversely affected as a consequence of accounting methodology changes i.e. Lloyds had advised that when the signed 2015/16 audited financial statements were received, their approach would be to waive the breach and reword/restate the covenant to an appropriate level, thus ensuring the covenant continued to act as an appropriate performance monitoring tool for use in future.

Members noted the following suggested revisions to the Lloyds' financial covenants:

- The College shall not permit total external debt at any time to exceed 35 % of net assets (excluding deferred capital grants);
- The College shall not permit the total borrowing costs in relation to any financial year to exceed 7% of total consolidated income for that financial year (excluding any adjustment for the release of non-government capital grant);
- Revenue Reserves (excluding the LGPS pension liability and the holiday pay accrual) to be maintained at a figure above 10% for the years ended 31 July 2016 and beyond;
- The College shall not in any three consecutive financial years incur a deficit in total comprehensive income excluding remeasurement of the net defined benefit pension liability and the adjustment for non-government grant income.

It was noted that the Barclays Bank covenants were unaffected by FRS 102.

The Committee received assurance from the Director of Finance that:

- Testing of the financial covenants on the draft Financial Statements, after post-audit adjustments, indicated that all Barclays' financial covenants had been met;
- The Lloyds' financial covenants would be met provided the re-wording of the financial covenants, noted above, was agreed by the bank;
- At this stage in the financial year there was nothing to indicate, subject to Lloyds' agreement as above, that the covenants would be breached during 2016/17.

The Committee received the College's annual report on financial covenants relating to loans with Lloyds and Barclays banks, noting the Director of Finance's assurances that covenants had been met in 2015/16 and were expected to be met in 2016/17, subject to Lloyds' agreement on the re-wording of covenants in response to the implementation of FRS 102.

235.10 Draft annual report & financial statements for y.e. 31.7.16

The Director of Finance presented the College's draft annual report & financial statements for the year ended 31 July 2016, which were discussed.

It was noted that:

- The F&GP Committee considered the College's draft annual report and financial statements annually at its final autumn term meeting;
- The College's draft annual report and financial statements were also received by

the Audit Committee to inform the Audit Committee's review of the financial statements auditors' audit findings report and to consider the final regularity audit opinion, the statements on corporate governance, responsibilities of members of the Corporation and the system of internal control.

Members noted in discussion that:

- The College had significant reliance on the Education Funding Agency (EFA) which was its principal funding source i.e. in 2015/16 the EFA provided 87 % of the College's total income, mainly through recurrent grants;
- The College had declared an operating surplus of £58,000 (2014/2015 deficit £74,000) after charging depreciation of £723,000 (2014/15 £717,000) against a budgeted surplus of £13k;
- The College had accumulated income and expenditure reserves of £75,000 - adverse as at 31 July 2016 (2015 £62,000);
- Capital expenditure during the year was £257,000 (2014/2015 £290,000), with the main elements of capital expenditure being alterations to buildings, computer and education equipment.

It was noted that, as a result of new Further & Higher Education Statement of Recommended Practice (SORP) and Financial Reporting Standard (FRS) 102, the 2014/15 accounts had been re-stated in the 2015/16 financial statements. The July 2016 meeting of the Corporation had adopted the following accounting policies in response to the new SORP and FRS 102:

- The accruals model had been adopted in respect of deferred capital grants;
- Non-government grants had been accounted for under the performance model i.e. moved to the Income & Expenditure (I&E) reserve at 1 August 2014;
- The College had recognised land at fair value at transition (i.e. 1 August 2014) as deemed cost (with the College having opted to revalue land at the date of transition);
- Holiday pay had been accrued.

Members noted the following key differences between the July 2016 management accounts, which had shown an operating surplus of £205.9k, and the financial statements for the year ended 31 July 2016:

- The FRS 102 pension adjustment had reduced the surplus by £85k
- Holiday accruals had reduced the surplus by £46k.

Members also noted that:

- The Balance Sheet had been weakened as a result of the revised treatment of government grants;
- The Income and Expenditure reserve was adverse by £75k.

Members noted with reference to the statement of going concern in the annual report & financial statements for the year ended 31 July 2016 that:

- The College had maintained its student numbers in 2016/17;
- The College was forecasting a surplus of around £398k in 2016/17, primarily due to reduced examination costs as a consequence of the move to linear A-levels;
- Whilst there were inherent uncertainties regarding the level of funding that would be generated from future funding methodologies, the financial plan for 2017/18 was based on 16-18 year-old student numbers remaining at the College's current EFA-funded target of 1,952 students at the 2016 census date, which was considered achievable;
- The College would continue to achieve a surplus position in 2017/18 through setting prudent budgets, continued tight budgetary control and monthly financial monitoring, with robust financial controls in place which were overseen by the Corporation;
- The College had a healthy balance at the bank of £848k at the year-end, the cash position was closely monitored and 12-month rolling cash flows were used to

project cash balances and to ensure the bank's financial covenants were met, cash flow forecasts indicated that a bank overdraft facility was not necessary for at least 12 months from the date of signing the financial statements i.e. to Dec. 2017;

- Both Barclays and Lloyds Bank had indicated that they were satisfied with the financial stability of the College as a result of increasing student numbers and senior management team (SMT) and Corporation's scrutiny of the College's finances;
- Accordingly the College had a reasonable expectation that it had adequate resources to continue in operational existence for the foreseeable future, and for this reason had continued to adopt the going concern basis in the preparation of its Financial Statements.

The Committee agreed the following minor textual amendments to the annual report & financial statements: the reference to North East Lincolnshire should be to North Lincolnshire; 1 Oct. 2015 should be shown as the appointment date for Student Corporation members Annie Lewis and Jackson Hall.

Action: Director of Finance

The Committee agreed to recommend the annual report & financial statements for the year ended 31 July 2016 to the Corporation for approval, subject to the minor amendments noted above.

Action: Chair

235.11 College accounting policies (included at Note 1 to the financial statements)

The Committee considered the statement of accounting policies at Note 1 to the annual report & financial statements for the year ended 31 July 2016, noting that they were in line with the policies agreed by the Corporation in July 2016.

235.12 RSM financial statements Audit Findings Report for y.e. 31.7.16

The Director of Finance presented the financial statements Audit Findings Report for the year ended 31 July 2016 from the College's external/financial statements auditors and regularity reporting accountant, RSM UK Audit LLP (RSM).

Members noted that:

- RSM anticipated issuing an unqualified audit opinion financial statements for the year ended 31 July 2016;
- There were no adjustments made that affected the results in the draft financial statements presented for audit;
- There were no recommendations arising from the report.

The Committee received the financial statements Audit Findings Report for the year ended 31 July 2016 from the College's external/financial statements auditors and regularity reporting accountant, RSM UK Audit LLP (RSM), noting that the report had also been considered at the Audit Committee's Nov. 2016 meeting. The Committee congratulated the Director of Finance on a clean audit report.

235.13 Review of 2015/16 financial KPIs & objectives

The Director of Finance presented a report on the achievement of key performance indicators (KPIs) for 2015/16 included in the financial plan compared with actual results achieved (as shown in the finance record) and a report on financial objectives from the financial plan.

Members noted with reference to the financial objectives that the College wished to remain financially sound in order to:

- Generate sufficient income to enable continued maintenance and improvement of all teaching and support facilities.
- Protect itself from unforeseen adverse changes in student enrolment.
- Maintain the confidence of the Education Funding Agency (EFA), Skills Funding

- Agency (SFA), bankers, auditors and external suppliers.
- Meet the Banks' Financial Covenants
- Maintaining a General Reserve of at least £100K (excluding Pension Reserve)

Members noted that actual results indicated that agreed KPIs had generally been achieved. Members noted that all financial objectives had been achieved (i.e. had been given a Green rating) with the following exception, which was shown as Amber in the RAG-rated table:

- The Income & Expenditure reserve had an adverse £75k at the end of 2015/16 due to the impact of FRS102;
- The Director of Finance was recommending that the reserve should be built back up to a reasonable level given forecast surpluses for 2016/17 and 2017/18.

The Committee received the 2015/16 report on financial KPIs & objectives.

235.14 EFA/SFA confirmation of financial health category

It was noted that the EFA and the Skills Funding Agency (SFA) reviewed colleges' financial health annually on receipt of financial plans.

Members noted that:

- Having reviewed the Wyke Sixth Form College Financial Plan 2016 to 2018, the funding agencies wrote to the College on 11 Nov. 2016 to confirm that they had agreed that the appropriate financial health grade was Satisfactory for 2015/16 and Good for 2016/17, noting that "The concept of an underlying financial health grade is based on the immediate past and current years. We have concluded that the underlying grade for your college is Satisfactory";
- The funding agencies had requested that the latest monthly management accounts and cash flow forecast should be submitted quarterly, with the Director of Finance having already submitted the latest version.

It was noted in response to members' questions that requesting management accounts and cash flow forecasts was understood to be the funding agencies standard practice where a College had a Satisfactory health grade.

The Committee received the EFA-SFA letter of 11 Nov. 2016 concerning receipt of the College's financial plan 2016-18 and confirmation of the College's financial health grade.

235.15 Small lottery registration report

The Director of Finance presented guidance and an application form from Kingston upon Hull City College for a small staff lottery at the College.

The Committee received the small society lottery guidance and application form and agreed that further guidance should be sought on the name of the society to be licenced, for presentation to the Dec. 2016 Corporation meeting.

Action: Director of Finance

235.16 Financial management processes & controls report action plan

The Committee reviewed the final action in the financial management processes & controls report action plan table i.e. action 2 (Review and revise the structure of the finance department to ensure that the senior finance professional is supported by a part-qualified deputy and that there is adequate administrative resource to cover all finance and other functions, as necessary, throughout the year.

The Committee received the financial management processes & controls report action plan, noting that, following the appointment of 2 new finance department staff members from Jan. 2017, action 2, which was the final outstanding action in the action plan table, had been completed.

235.17 Student Association Accounts for y.e. 31.7.16

It was noted that:

- Under the Education Act 1994, the Corporation was responsible for ensuring that any students' union was accountable for its finances;
- Under the Act and the Articles of Government, the students' union is responsible for presenting financial reports to Corporation annually;
- A students' union was defined in the Act as "an association of the generality of students at an establishment".

Members considered the Student Association accounts for the year ended 31 July 2016, which had been reviewed by the Director of Finance. Members noted that:

- The accounts showed a deficit of £3k and reserves in excess of £13k;
- With reference to its remit to promote student welfare generally, the Student Association had donated laptops worth £6.9k to the library for student use and to ensure that reserves were spent in respect of student welfare.

Members discussed the following issues raised by the Director of Finance:

- A debtor included in the accounts for the National Union of Students (NUS) of £1.8k, in respect of NUS cards returned to the NUS in 2015 by the Student Association Treasurer;
- Although the Director believed that the true number of cards returned may have been higher, this had not been agreed with the NUS and it had therefore been considered prudent to leave the debtor in the accounts as £1.8k;
- The Student Association Advisor had confirmed that £1.4k shown in the 2015/16 accounts as owed to charities had been paid during the 2016/17 financial year and should therefore appear in next year's accounts.

It was agreed that Julie Peaks (Vice-Principal) should contact the Student Association Executive concerning the following meetings:

- (iv) A meeting with the Principal to discuss Student Association Executive responsiveness to student issues;
- (v) A meeting of the Student Association Treasurer with the Director of Finance to discuss finance matters;
- (vi) A meeting or e-mail contact with the Clerk to finalise the wording of the Transport and Resources Officer role in the revised Student Association Constitution as agreed at the Nov. 2016 Student Committee meeting, with a view to the revised Constitution being presented to the Dec. 2016 meeting of the Corporation.

Action: Clerk/JP/AL/JKT

The Committee approved the Student Association accounts for the year ended 31 July 2016 for recommendation to the Corporation on approval.

Action: Chair

Governance & Committee matters

235.18 Eversheds' Governance Plus subscription 2016/17

It was noted that a review of the Corporation's annual Eversheds' Governance Plus subscription was a standing agenda item for the Committee.

The Committee noted that the Eversheds' Governance Plus subscription 2016/17 had not been received to date.

235.19 2015/16 Committee effectiveness questionnaire

The Committee received the final version of the Committee's completed 2015/16 effectiveness questionnaire and agreed that it should be signed by the Chair.

Student residential & overseas visits

235.20 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that:

- The annual London University visit would take place in Feb. 2017;
- There were no other relevant trips or visits not already brought to the Committee's attention.

The Principal's report on student trips and visits was received.

Strategic matters

235.21 Report on strategic matters, incl. property strategy & Area Based Review (ABR)

The Principal, Jay Trivedy, and John Wilson, as Chair of the Corporation, gave a report on the Area Based Review (ABR) process since the Special Corporation meeting held on 28 Nov. 2016 [*confidential minute*].

Documents from outside bodies

235.22 Documents from the EFA, SFCA, DfE, BIS & other outside bodies

The Committee received the following documents, for information:

- Charity Commission investigation into Cardiff SFC (a private school, company & registered charity), and BBC report;
- DfE: ABR Waves 1 & 2 reports: <https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews>;
- SFCA ABR options table;
- DfE: Framework for Due Diligence (Oct. 2016): shared services extract

Appendix A: Items 5 & 6

235.23 (i) Item 5: Annual review of confidential minutes

The Committee undertook its annual review of confidential minutes produced in the previous year.

It was noted that the Clerk was recommending that the following confidential minutes should be released from confidentiality:

- 2015/16 student numbers and restructuring costs which were now in the public domain (i.e. in the financial statements on the College website);
- Discussions of general HR matters which had now been implemented (e.g. standardising management allowances);
- Discussion of the Jan. 2016 Ofsted Prevent Duty survey (which had now resulted in a published report).

Members agreed that sections of the confidential minutes relating to the Area Based Review (ABR) process (which was ongoing), subject to confidentiality agreement, or relating to named or identifiable individuals should not be released from confidentiality.

The Committee agreed to release from confidentiality the specified sections of the Committee's confidential minute identified in the Clerk's recommendation above.

Action: Clerk

(ii) Item 6: Student numbers & funding report

The Principal presented the Dec. 2016 student numbers and funding report.

Members noted in discussion that:

- The College would be close to its EFA 2016/17 lagged number target for students aged 16-18 at the census date [*confidential minute*];
- Of the above students, only 11 were not attracting the highest level of funding (at 540 hours for 16 or 17 year old students, 450 hours for 18 or 19 year old students);
- The College had enrolled 2 adult Skills Funding Agency (SFA) funded students

aged 19+ to date and was therefore unlikely to exceed its 2016/17 funding allocation of around £14K for adult students;

- 4 full cost (overseas) students had also been enrolled.

Members noted that reporting on student retention would resume from spring term 2017 but the structure of the report might change to accommodate the adoption of 2 year linear subjects across most of the curriculum.

The Committee received the College's Dec. 2016 student numbers and funding report.

Final matters

235.24 Any other business

There was no other business not already on the agenda.

235.25 Risk management – items identified at the meeting

There were no new items of risk not already on the agenda.

235.26 Date of next meeting

The Committee was next due to meet on Tues. 31 Jan. 2017 at 4.30pm.

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 236, held on 23 January 2017**

Present: John Wilson (Chair), Mike Noddings (Vice-Chair), Jim Darmody (member),
Phil Taylor (member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services),
Anna Lamplough (Director of Finance), Mark Rothery (Vice-Principal)

236.1 Apologies for absence

Apologies were received from Mark Moore, a Committee member.

Apologies were also received from the following senior managers: Julie Peaks (Vice-Principal), Ian Taylor (Assistant Principal).

236.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

236.3 Minutes of meeting 235 held on 5 Dec. 2016, incl. the confidential minutes

The minutes of meeting 235 held on 5 Dec. 2016, including the confidential minutes, were approved.

236.4 Matters arising from the above minutes and actions

(Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It was noted that it had been agreed that committee meetings should, if possible, not be held in the week immediately after half-term in future (235.4).
- 2 Minor textual amendments to the College's Annual Report & Financial Statements for the year ended 31 Dec. 2016 had been made, as agreed, before presentation to the Corporation (235.10).
- 3 The Annual Report & Financial Statements for the year ended 31 Dec. 2016 had been approved at the Dec. 2016 Corporation meeting (235.10).
- 4 It was noted, with reference that further guidance had been received from the licencing section at Hull City Council concerning the name of the College's proposed small lottery society, with 'Wyke Staff 100 Club' being agreed at the Dec. 2016 meeting of the Corporation (235.15).
- 5 The Committee received an update on the actions noted below.

(i) The Principal had met with members of the Student Association Executive to discuss Student Association Executive responsiveness to student issues, with a further meeting planned.

It was noted that, as the former President of the Student Association had

recently resigned, the Vice-President had taken on the role of President and a new Vice-President had been chosen from amongst the members of the Student Association Executive.

(ii) A meeting of the Student Association Treasurer and the Director of Finance had been arranged for later in the current week.

(iii) A new paragraph on the Transport and Resources Officer role in the revised Student Association Constitution had not been agreed before the revised Constitution was presented to Corporation meeting in Dec. 2016 and therefore remained an action.

Action: Clerk/RI/Student Assoc. Exec.

The revised Student Association Code of Conduct and the revised Student Association Constitution (without the new paragraph on the Transport and Resources Officer role) had been approved at the Corporation's Dec. 2016 meeting, on the recommendation of the Student Committee (235.17).

- 6 Specified F&GP Committee minutes had been released from confidentiality, as agreed (235.5 & 235.23).

[Confidential minute].

Health & Safety (H&S) & property matters

236.5 H&S Committee report

The Committee noted note that no H&S Committee meetings had been held since 1 Nov. 2016.

Student numbers & funding

236.6 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the Jan. 2017 student numbers and funding report, which was considered.

Members noted that:

- That student numbers as reported in the February R06 ILR return should be close to the College's funding allocation target *[confidential minute]*;
- Only 18 of the total number of students were not attracting the highest level of funding (at 540 hours for 16 or 17 year old, 450 hours for 18 or 19 year old);
- Almost all the College's students were EFA funded, with 2 adult SFA funded students having been enrolled, which meant that the College was unlikely to meet its 2016/17 SFA funding allocation of £13k;
- The College also had 4 full-cost students.

It was noted in response to members' questions that unused funding for adult students would be returned to the SFA. *[Confidential minute]*.

Members considered the report on student retention in detail, noting in discussion concern that:

- Retention had fallen by 1.2% at Level 3, which was the College's core business, compared to Jan. 2016 (i.e. Jan. 2017: 96.9%. Jan. 2016: 98.1%), noting, however, that as 2016/17 was the first year in which the College had enrolled students to linear A Levels, students had been enrolled to fewer learning aims which made historic comparison of retention more difficult;
- Retention had also fallen at Level 2 compared to Jan. 2016 (i.e. Jan. 2017: 91.4%. Jan. 2016: 97.1%), although there were fewer enrolments at this level.

With reference to retention at Level 3, it was noted that the regular retention report

considered by the F&GP Committee recorded retention with reference to programmes while Corporation's Curriculum & Quality Committee received an annual report on retention by numbers of students at the College. It was noted that the College would review reporting methods, taking into account the introduction of linear A Levels.

The Committee received the student and numbers report for Jan. 2017.

236.7 EFA letter of 21.12.16 Funding for year 2017 to 2018

The Director of Network & Information Services presented the EFA letter of 21 Dec. 2016: Funding for academic year 2017 to 2018 for students aged 16 to 19 and students aged 19 to 25 with an education, health and care plan.

Members noted that:

- Under the lagged funding system, the College's student numbers in 2016/17 would ensure that funding for 2017/18 would be similar to 2016/17;
- While the funding methodology was generally similar to the current year, in real terms colleges would experience a decrease in funding as there would be no inflationary increase on core student funding and funding would be removed from other areas e.g. free meals/ discretionary bursaries and formula protection;
- The 5% tolerance for GCSE Maths and English was being maintained but the College was already well within this tolerance;
- Currently, students aged 19 or over on 31 Aug. who were continuing an EFA-funded programme which they began aged 16 to 18 were funded by the SFA but from 2017/18 would be funded by EFA.

It was noted in discussion that the letter stated that formula protection funding would reduce year on year to 2020/21, with no allocation for formula protection funding having been included in the College's current budget due to uncertainties concerning its continuation. The Director of Finance would consider the appropriateness of including formula protection funding for future years when drafting the 2017/18 budget and financial plan.

The Committee received a letter from the EFA dated 21 Dec. 2017 concerning funding for 2017/18.

(Bill Jackson left the meeting).

Financial Matters

236.8 Management accounts, incl. KPIs & cashflow, for Dec. 2016

The Committee noted that the management accounts to 30 Nov. 2016 had been e-mailed to members in Dec. 2016 for review.

The Director of Finance, Anna Lamplough, presented the management accounts to 31 Dec. 2016, including the financial key performance indicators (KPIs) and revised cashflow, which were discussed.

Members noted that:

- The operating surplus at the end of Dec. was £193k compared with the budgeted surplus of £165.7k;
- The improved position was primarily due to income in excess of that budgeted;
- At the end of Dec. 2016, trading income was £42.6k in excess of budget, with 4 overseas students had been recruited (budget: 2 overseas students) and catering, exam re-sit, and minibus passes higher than expected;
- Non-pay expenditure up to the end of Dec. was £38.6k more than budget, including the IT resources budget overspent by £9k year to date and expected to be £6k overspent at year end;
- The College had spent £16.7k less than budgeted on overall pay costs, with some of the underspend relating to the teachers' annual pay award of 1% being payable from 1 Jan. 2017 (rather than 1 Sept. 2016) and the balance relating to unutilised staffing contingency budget;

- A 1% support staff pay award had been accrued from 1 Sept. 2016;
The capital budget for 2016/17 had been spent by the end of Dec. 2016.

With reference to the EFA financial health category letter considered at the Dec. 2016 meeting of the Committee, which had noted that the underlying grade for the College had been calculated as 'Satisfactory' and that the EFA had requested that the College's latest monthly management accounts and cash flow forecast should be submitted quarterly, the Principal reported that the College had received advance notification that the EFA/SFA early intervention strategy team would also write to the College with reference to the College's financial health score.

The Committee received the Dec. 2016 management accounts, noting that the operating surplus was better than the budgeted surplus.

236.9 Triennial valuation of the East Riding Pension Fund

The Director of Finance presented a report on the 2016 triennial valuation of the East Riding Pension Fund (ERPF) by the fund's actuary, Hymans Robertson.

Members noted that:

- The College's support staff were members of the ERPF, which was part of the Local Government Pension Scheme (LGPS);
- The employer valuation results report showed a surplus of £305,000 on 31 Mar. 2016 compared to a deficit of £263,000 on 31 Mar. 2013;
- Wyke's employer contribution rate for the 3 years from Apr. 2017, based on the interim results of the triennial valuation, had been notified as 22.2% (compared to a current employer contribution of 17.3%), which was based on a 75% likelihood of payment of benefits accruing and return of the employer to a fully funded position over 15 years.

The Committee received the 2016 triennial valuation report on the East Riding Pension Fund (ERPF).

236.10 SFCA/AoC paper on Colleges and the Local Government Pension Scheme

The Director of Finance presented a recent report from the Sixth Form Colleges Association (SFCA) and the Association of Colleges (AoC) on key pension issues facing sixth form and further education colleges with regard to the Local Government Pension Scheme (LGPS) as a result of the effects of Financial Reporting Standard (FRS) 102 and the latest triennial actuarial valuation, which was expected to result in increased costs for employers from April 2017 onwards.

Members noted that:

- The SFCA/AoC report noted that average college employer contributions to the LGPS were currently 16% which was expected to rise to an average of 18% from Apr. 2017;
- The report estimated that increases in employer contributions in respect of National Insurance (from Apr. 2016), the Teachers' Pension Scheme (from Apr. 2015 and Apr. 2019) and the LGPS (from Apr. 2017) could result in an additional 5% in costs for a typical sixth form college while the government-set funding base rate had been fixed to 2020;
- In addition to the LGPS undertaking a review of liabilities every 3 years, an annual update statement was produced which took into account changes in the interim;
- The SFCA/AoC report stated that some colleges were finding that they were in surplus as a result of the 2016 LGPS triennial review despite being in deficit on the 2015/16 update statement (with part of the difference caused by FRS 102 assuming a lower expected rate of return from the fund's assets than was used in the triennial actuarial review) while some colleges were showing deficits (although often less than the update deficit statement);
- Periods over which colleges were being asked to consider reducing deficits varied i.e. from 7 to 20 years.

Members discussed the possibility of colleges with high employer contributions changing the LGPS scheme in which they participated for new enrollers or requesting that the period over which employer contributions were calculated (to ensure payment of benefits accruing and return of the employer to a fully funded position) should be extended.

The Committee received a report from the Sixth Form Colleges Association (SFCA) and the Association of Colleges (AoC) on key pension issues, with particular reference to the 2016 LGPS triennial review.

236.11 Annual review of the Financial Regulations

The Committee noted that the Director of Finance had undertaken the annual review and was recommending no change to the Financial Regulations, which had last been revised and approved by the Corporation in Mar. 2016.

236.12 Update on small lottery registration

The Committee received a copy of letter from Kingston upon Hull City Council dated 22 Dec. 2016 confirming the small society lottery registration of the Wyke Staff 100 Club under the Gambling Act 2005, noting fees payable and returns required.

Governance & Committee matters

236.13 Eversheds' Governance Plus subscription 2016/17

The Clerk reported that an annual review of the Eversheds' Governance Plus subscription service, including cost, was an annual standing agenda item for the Committee.

The Committee noted that the Eversheds' Governance Plus subscription 2016/17 Invoice had recently been issued.

Student residential & overseas visits

236.14 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that:

- The visits to Austria and Rome had been cancelled due to lack of numbers;
- The visit to Paris had been re-scheduled to June 2017.

The Committee received a verbal report from the Principal on overseas visits.

Strategic matters

236.15 Report on strategic matters, incl. property strategy & Area Based Review (ABR)

The Principal, Jay Trivedy presented a report on strategic matters.

(i) Area Based Review (ABR)

The Committee received minutes and reports related to the ABR process [*confidential minute*].

(ii) Strategic planning

The Principal provided an update on strategic planning, with particular reference to actions being considered for enhancing financial sustainability, aiding student recruitment, and improving capacity in relation to catering/social facilities [*confidential minute*].

It was noted in response to members' questions concerning student applications for 2017/18 that numbers were similar to Jan. 2016 although the recruitment pattern, at this stage, was slightly different [*confidential minute*].

(iii) Performance League tables 2015/16

The Principal presented the Performance League tables 2015/16 for local education providers and sixth form colleges nationally, which were discussed in detail.

[Confidential minute].

The Committee received a progress report from the Principal on strategic matters.

Documents from outside bodies

236.16 Documents from the EFA, SFCA, DfE, BIS & other outside bodies

The following documents/extracts were received: Scottish Herald: City of Glasgow College & the Glasgow Colleges Regional Board (Jan. 2017) concerning the roles of the individual college and the umbrella body; extracts from SFCA Update, 11 Jan. 2017 (including extracts on the Area Based Review process, EFA funding, the LGPS scheme, performance league tables, the Six Dimensions of Performance project, the 16-19 unvalidated inspection dashboard).

Appendix A: Item 6

236.17 *It was noted that agenda item 6 (student numbers & funding report) had been considered earlier on the agenda.*

Final matters

236.18 Any other business

It was noted that there was no other business not already included on the agenda.

236.19 Risk management – items identified at the meeting

The Committee identified the following new items of risk: issues arising from the revised focus in the performance league tables; establishing appropriate comparative monitoring of retention following the introduction of linear A Levels.

Action: AL

236.20 Date of next meeting

It was noted that the Committee was next scheduled to meet on Mon. 27 Feb. 2017 at 4.30pm.

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 237, held on 27 February 2017**

Present: John Wilson (Chair), Mike Noddings (Vice-Chair), Jim Darmody (member), Mark Moore (member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Anna Lamplough (Director of Finance), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal)

237.1 Apologies for absence

Apologies for absence were received from Phil Taylor (a Committee member).

237.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

237.3 Minutes of meeting 236 held on 23 Jan. 2017, incl. the confidential minutes

The minutes of meeting 236 held on 23 Jan. 2017, including the confidential minutes were approved.

237.4 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It had been agreed, with reference to meeting dates for 2017/18, that committee meetings should, if possible, not be held in the week immediately after half-term in future (236.4).
- 2 A new paragraph on the Transport and Resources Officer role would be considered for inclusion in the revised Student Association Constitution at the Mar. 2017 Student Committee meeting (236.4).
Action: Clerk/JD/RI/Student Exec.
- 3 The following new items of risk had been identified at the Committee's Jan. 2017 meeting and would be considered by the SMT with reference to the revised strategic risk register to be considered at the Audit Committee meeting on 13 Mar. 2017: issues arising from the revised focus in the performance league tables; establishing appropriate comparative monitoring of retention following the introduction of linear A Levels (236.19).

Action: AL

Health & Safety (H&S) & property matters

237.5 H&S Committee report

It was noted that, as no H&S Committee meetings have been held since 1.11.16, there were no minutes to receive under this item.

[Confidential minute].

Student numbers & funding

237.6 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the Feb. 2017 student numbers and funding report, which was considered.

Members considered student retention figures to the end of Jan. 2017 which had been presented in 2 different formats, with data from 2012/13 to 2016/17 included for comparison: retention with reference to programmes (i.e. in the format which was normally presented to the F&GP Committee) and retention by numbers of students at the College (i.e. in the format which was presented annually to the Curriculum and Quality Committee). It was noted that the system of measuring retention in the first format was no longer linked to the funding system but had been retained to allow historical comparison. The second format had been presented in 2 versions: all students from enrolment and all students from the census date. It was noted that funding under the lagged funding system was based on student numbers at census date.

Members noted in discussion:

- With reference to numbers and trends in previous years, that there had been a fall in the retention of First Year and Single Year students (who took a combination of Level 2 and Level 3 courses) in 2016/17 e.g. Year 1 retention was 95.6% (2016: 96.6%) and Single Year retention was 90.2% (2016: 93.3%);
- Discussion with senior tutors had indicated that a key factor in the fall in retention for students taking A Levels could be course duration e.g. it was easier to encourage a student to remain for a further 6 months to complete an AS programme at the end of Year 1 than to convince them to continue for a further 18 months to complete a 2-year linear A Level;
- Students leaving the College to take up apprenticeships could be a factor affecting Single Year retention;
- Actions being considered to address retention issues included reviewing the College's student assessment schedule (e.g. delaying the start of the programme of assessment until students felt more established in their studies) and the College's continuing commitment to ensuring that students were guided onto the right courses at enrolment.

[Confidential minute].

It was noted in discussion that 2016/17 was the first year in which linear A levels had been introduced at the College but it was not known whether colleges which had already introduced linear A Levels had experienced a similar decline in retention.

The Committee received the student numbers and funding report for Feb. 2017, thanking Director of Network & Information Systems for developing the reporting format to enable retention trends to be better understood.

Governance & Committee matters

237.7 Report on Eversheds' Governance Plus subscription 2016/17 & on the merger of Eversheds LLP & the US firm, Sutherland Asbill & Brennan LLP

(i) Eversheds' Governance Plus subscription 2016/17

It was noted that, under the Committee's standing agenda item list, the Clerk presented details of the Corporation's subscription to Eversheds' *Governance Plus* service to the F&GP Committee for consideration where the fee for annual renewal has increased by more than 10%. The service provided: an annotated version of the *Instrument and Articles of Government* detailing Eversheds' advice on their interpretation, implementation and best practice; access to a governance helpline and to a subscribers' dedicated Extranet, including access to Eversheds' model policies and procedures and governance briefings; notification of relevant training and e-briefings and access to Eversheds' Webinars on

governance topics.

The Clerk reported that the invoice for the College's Eversheds' *Governance Plus* subscription had been received in Jan. 2017 and the cost of the subscription had risen by just over 3% for the period 1 Nov. 2016 to 31 Oct. 2017.

(ii) Merger of Eversheds LLP & the US firm, Sutherland Asbill & Brennan LLP

It was noted that Eversheds had informed the College on 3 Feb. 2017 that from 1 Feb. 2017, the above 2 firms had become equal members in Eversheds Sutherland Limited, a UK registered company. The document sought consent from the College for the sharing/transfer of data/information for the purposes stated in the notification e-mail. The Director of Network and Information Systems confirmed that the current situation pre-Brexit was that as long as data remained in the EU or conformed to the EU-US Privacy Shield, there should not be an issue with the sharing/transfer of data/information.

The Committee received a briefing on the creation of Eversheds Sutherland Limited, noting data protection implications.

237.8 SFCA briefing - Eversheds advice on governor e-mail addresses

The Clerk presented an e-mail briefing from the Sixth Form Colleges' Association (SFCA), which included advice from Eversheds concerning the use of personal e-mail addresses by Corporation members with reference to the possibility of data breaches (for example relating to sensitive personal data) and the possibility that Corporation members' personal e-mail accounts might need to be searched should the College receive a Freedom of Information (FOI) request. Eversheds' advice was therefore that personal e-mail addresses should be avoided, although it was also stated that there was no legal requirement that College e-mail addresses should be used.

Members noted the advantages should Corporation members be allocated college e-mail addresses, as outlined in Eversheds' advice, and also considered possible disadvantages e.g. e-mail correspondence not being sent via the Clerk, the possibility of Corporation members checking a college e-mail address less often than a work or home e-mail address, which could make Corporation members more difficult to contact by e-mail in cases where an urgent response was required.

Members noted in discussion that the Clerk to the Corporation's job description referred to the Clerk acting 'as correspondent for Corporation members'. It was noted that, in practice, this meant that most information to or from Corporation members was sent via the Clerk. Any e-mail correspondence to Corporation members sent by the Clerk, together with e-mail correspondence in response or between Corporation members or college staff into which the Clerk was copied, was therefore in practice searchable through the Clerk's college e-mail account and e-mail correspondence between Corporation members and staff members into which the Clerk was not copied (e.g. between the Principal and the Chair), would still be searchable through that staff member's college e-mail account.

[Confidential minute].

The Committee considered an SFCA briefing note and advice from Eversheds concerning the use of work/home e-mail addresses by Corporation members and agreed that risks relating to the transmission of sensitive data by e-mail should be considered with reference to the use of appropriate encryption and Corporation members reminded of the need to ensure that all e-mail correspondence with the College was either copied to the Clerk or to another relevant staff member e.g. the Principal.

Action: Clerk

Financial Matters

237.9 Student bursary laptops tender

The Director of Finance, Anna Lamplough, reported that the College had gone out to tender for around 200 laptops for student bursary-holders' personal use, noting that in kind payments to bursary-holders included bus passes, meal passes, and laptops.

The tender opening ceremony had been held earlier on 27 Feb. 2017 and had been attended by John Wilson, as Chair of the F&GP Committee, as required under the College's tendering procedures. The College was recommending that the contract be awarded to MCC Digital on the grounds of compliance with the tender specification and value for money.

The Committee agreed that the contract for around 200 laptops for student bursary-holders should be awarded to MCC Digital.

Action: AR/AL

(Bill Jackson left the meeting).

237.10 Management accounts, incl. KPIs & cashflow, for Jan. 2017 incl. mid-year budget re-forecast

The Director of Finance, Anna Lamplough, presented the management accounts to 31 Jan. 2017, including the financial key performance indicators (KPIs) and revised cashflow, which were discussed. It was noted that the management accounts included the mid-year budget re-forecast.

Members noted that:

- The operating surplus at the end of Jan. 2017 was £223k compared with a budgeted surplus of £199k;
- The improved position was primarily due to income in excess of that budgeted, as detailed in the accounts e.g. in respect of the recruitment of 2 additional international students, additional catering income, higher than expected and examination re-sit income;
- Non-pay expenditure was £28k more than budgeted, mainly due to profiling issues although IT was likely to be £12k overspent at the year-end as a result of unforeseen pressures e.g. the cost of the email archiving system, increased licencing costs and usage/price of toner cartridges, with a more robust budgeting system being developed for 2017/18;
- The Quality and Inspection budget was overspent by £5.2k as the commissioning of ALIS reports had not been included in the 2016/17 budget;
- The College had spent £3k less than budgeted on overall pay costs;
- With reference to the projected rolling cash flow forecast for the period from Jan. 2017 to Jan. 2018, the bank balance was forecast to remain at an acceptable level for the next 12 months and the College should therefore be able to manage its cash flow without resorting to a working capital facility from the bank during 2016/17;
- The 2016/17 capital budget has been spent by the end of Jan. 2017.

Members discussed what action would be taken should additional capital expenditure be required during the year, noting that a case would have to be made that the expenditure could be met from reserves and that the surplus at the year-end would be greater than forecast, so that the College's financial health rating would not be affected. It was noted that Devolved Formula Capital of £50k for 2016/17 had not been factored into the budget.

It was noted with reference to the mid-year budget re-forecast that the Director of Finance was forecasting the year end surplus would be unchanged from that in the original budget, taking into account additional income and changes in the pattern of pay and non-pay expenditure.

The Committee received the management accounts for Jan. 2017, noting that the operating surplus at the end of Jan. 2017 was £223k compared with a budgeted surplus of £199k.

237.11 EFA early intervention strategy letter

The Committee noted that:

- Having reviewed the College's Financial Plan 2016 to 2018, the EFA wrote to the College on 11 Nov. 2016 to confirm that they had agreed that the appropriate financial health grade for the College was Satisfactory for 2015/16 and Good for 2016/17, noting that: 'The concept of an underlying financial health grade is based on the immediate past and current years. We have concluded that the underlying grade for your college is Satisfactory';
- The EFA had requested that the College's latest monthly management accounts and cash flow forecast should be submitted quarterly;
- The EFA/SFA early intervention strategy team had subsequently written to the College on 25 Jan. 2017 stating that 'Our assessment of the data we hold on your college has concluded that the following criteria apply and that your organisation therefore meets the triggers for early intervention - i. A financial health score of weak 'satisfactory' and that the EFA/SFA Joint Intervention Team would contact the College to arrange a meeting to discuss the assessment.

The Principal reported that Margaret Cobb of the EFA had visited the College and confirmed that the low Satisfactory score had been derived from earlier data and that the College's current financial health assessment was Good. It had, however, been agreed that it would be useful to continue to hold meetings.

The Committee received letters from the EFA (Nov. 2016) and the EFA/SFA early intervention strategy team (Jan. 2017) for information, receiving a verbal update from the Principal.

237.12 Financial Regulations - 'top up' debit card

The Director of Finance reported on a proposal that the College should obtain a 'top up' debit card, to supplement the following payment options for small, urgent purchases: use of petty cash, staff paying for items themselves and reclaiming the cost. It was noted that the Director of Finance had opened accounts with a number of companies which staff could also use for such purchases [*confidential minute*]. It was noted that the College's credit card required the Director of Finance's authorisation.

The Committee considered the College's Financial Regulations with reference to purchasing cards, credit and debit cards detailed at sections 17.4 and 17.5 and agreed that they were already sufficiently comprehensive to require no further revision to permit the College to obtain a 'top up' debit card.

237.13 Update on small lottery scheme

The Committee noted that 80 staff had joined the Wyke 100 Staff Lottery to date.

Student residential & overseas visits

237.14 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that:

- Modern Foreign Language students would visit Paris 12-15 June 2017;
- The Principal would attend a conference in China 25-31 Mar. 2017, together with representatives of the University of Hull and the Boulevard Academy.

The Committee received the Principal's report on overseas visits.

Documents from outside bodies

237.15 Documents from the EFA, SFCA, DfE, BIS & other outside bodies

The following documents were received for information:

- Eversheds - Brexit procurement advice (Jan. 2017);
- BBC news - Call for VAT exemption for Scots emergency services (Feb. 2017).

Strategic matters

237.16 Report on strategic matters, incl. property strategy & Area Based Review (ABR)

The Principal gave a progress report on the ABR process.

Members noted that, since the January 2017 meeting of the Committee:

- The York, N. Yorkshire, E. Riding & the Hull (YNYERH) ABR Steering Group 4 meeting, which had been attended by the Chair of the Corporation and the Principal had been held on 30 Jan. 2017;
- The Corporation meeting held on 7 Feb. 2017 had ratified the recommendation arising from the Steering Group 4 meeting i.e. that Wilberforce Sixth Form College (SFC) and Wyke SFC should establish a formal federated structure with Franklin SFC and John Leggott SFC to drive up quality, sustain and improve the curriculum offer, and introduce a range of shared services by July 2017, and, as independent institutions, to continue to review, through the Federation, further options for closer collaboration and structural change;
- The Corporation had also ratified the recommendation that Wyke and Wilberforce should collaborate with the General Further Education colleges and schools in the Hull area to ensure that a wide and sustainable offer was available to students and employers locally (i.e. through discussions at the Hull theme group);
- The above recommendation had been approved at the YNYERH Steering Group 5 meeting held on 23 Feb. 2017, which had been attended by the Chair of the Corporation and the Principal and was the final formal meeting in the ABR process;
- A report would be made to the Corporation meeting on 2 Mar. 2017.

Action: Chair

[Confidential minute].

Members noted that the ABR process had been time-consuming for those taking part, having included, in addition to the College visit, both formal and subsidiary meetings.

The Committee noted that the 4 SFCs entering into the federation would remain independent corporations and, as one the College's key aims on entering the process had been to maintain the College's autonomy, the outcome was to be welcomed. It was noted that both Hull City Council and the East Riding of Yorkshire Council were supportive of the outcome and that the process had highlighted the value of the College working more in the future with local employers, the local authority, and the Local Enterprise Partnership (LEP).

It was noted that the 4 SFCs would issue a joint press release concerning the federation in due course.

Appendix B: Item 6

237.17 Agenda item 6 (student numbers & funding report) had been considered earlier on the agenda.

Final matters

237.18 Any other business

(i) Income generation plans

The Principal outlined possible future income generation plans which were currently being considered *[confidential minute]*.

(ii) Staffing for 2017/18

It was noted, in response to members' questions, that College data on applications for 2017/18 by subject was now available and, following review by the College Management

Team (CMG) and SMT, would be used, together with information from applicant interviews, to make staffing decisions. Members noted that smaller study programmes, could mean that an additional study area, for students to use during free periods, might be required for 2017/18.

The above items were considered under the Any Other Business heading.

237.19 Risk management – items identified at the meeting

It was noted that no new items of risk had been identified at the meeting.

237.20 Date of next meeting

The Committee noted that the Committee was next scheduled to meet on Mon. 3 Apr. 2017 at 4.30pm and agreed that, as the Director of Finance would no longer be available to attend Committee meetings on Mondays, the Clerk should consult on moving the Committee's Apr. 2017 meeting to another day of the week.

Action: Clerk

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 238, held on 4 April 2017**

Present: John Wilson (Chair), Mike Noddings (Vice-Chair), Phil Taylor (Committee member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Anna Lamplough (Director of Finance), Julie Peaks (Vice-Principal)

238.1 Apologies for absence

Apologies were received from Jim Darmody (an F&GP Committee member) and Mark Moore (an F&GP Committee member).

It was noted that John Wilson (F&GP Committee Chair) and Mark Rothery (Vice-Principal) would join the meeting later. Mike Noddings (F&GP Committee Vice-Chair) chaired the meeting until the arrival of John Wilson.

238.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

238.3 Minutes of meeting 237 held on 27 Feb. 2017, incl. the confidential minutes

Minutes of meeting 237 held on 27 Feb. 2017, including the confidential minutes, were approved with the following amendment: the removal of a reference to Macro at agenda item 237.12.

Action: Clerk

238.4 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It had been agreed, with reference to meeting dates for 2017/18, that committee meetings should, if possible, not be held in the week immediately after half-term in future (237.4).
- 2 A new paragraph on the Transport and Resources Officer role would be considered for inclusion in the Student Association Constitution at the Apr. 2017 Student Committee meeting (237.4).
- 3 The revised strategic risk register had been considered at the Audit Committee's Mar. 2017 meeting, which had noted the following addition to the register: reputational issues including new performance league tables. The Director of Network & Information Systems (NIS) had also developed a new table format to enable the comparative monitoring of retention following the introduction of linear A Levels, which had been considered at the Feb. 2017 meeting of the F&GP Committee (237.4).

Action: Clerk

- 4 The Committee had agreed that a briefing on Governor use of personal e-mail addresses and data protection issues should be presented to the May 2017 Corporation meeting (237.8).
Action: Clerk
- 5 The contract for around 200 laptops for student bursary-holders had been awarded to MCC Digital, as agreed (237.9).
- 6 It was noted that the Chair of the Corporation, John Wilson, had given a report to the Mar. 2017 Corporation meeting on the outcome of the Area Based Review (ABR) Steering Group 5 meeting (237.16).
- 7 Following consultation, the Committee's Apr. 2017 meeting had been moved from Mon. 3 Apr. to Tues. 4 Apr. 2017 (237.20).

(John Wilson joined the meeting).

Health & Safety (H&S) & property matters

238.5 H&S Committee report

Members noted that no H&S Committee meetings had been held since 1.11.16. It was noted in response to members' questions that, in the absence of the Premises Manager, the Director of Finance had taken on responsibility for health and safety matters.

The Committee received a verbal report on health and safety matters.

Student numbers & funding

238.6 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the Mar. 2017 student numbers and funding report, which was considered.

Members reviewed tables measuring retention by the following methods: retention with reference to programmes and retention by numbers of students at the College.

Members noted that:

- With reference to the table showing retention with reference to programmes, retention remained down at Levels 3 and 2 [*confidential minute*];
- With reference to retention by numbers of students at the College, the trend for lower retention overall and amongst first and single year students was also continuing [*confidential minute*];
- It had not been possible to date to obtain recent benchmarking information which would allow the College to compare its current retention pattern with that of other similar colleges.

Members reviewed the introduction of linear A Levels and apprenticeships with reference to the fall in retention and discussed the possible impact of lower retention amongst first and single year students on progression for 2017/18, noting that the Vice-Principals had already spoken to single year students about progression requirements.

It was noted in response to members' questions concerning students required to re-sit GCSE English and/or Maths as part of their College programme that, under the new GCSE grading system, the new grade 4 would be viewed as a 'standard pass' and a grade 5 would be a 'strong pass' i.e. students would not be required to re-sit GCSE English and/or Maths if they already held a grade 4 (equivalent to a grade C under the previous grading system) in these subjects when they entered the College. The College would review its entry requirements under the new GCSE grading system for relevant A Levels e.g. in Physics, Maths.

The Committee received the student numbers and funding report for March 2017, noting the continuing trend for lower retention.

Financial Matters

238.7 Notification of EFA & SFA grant allocations for 2017/18

(Mark Rothery joined the meeting during this item).

Members considered the 2017/18 Education Funding Agency (EFA) funding allocation table, which had been sent out with the agenda, and received the 2017/18 Skills Funding Agency (SFA) funding allocation document.

The Director of Finance reported that the information in the 2017/18 EFA funding allocation table was similar to that on which the College's 2017/18 financial plan, approved by the Corporation in July 2016, had been based, with the following exception: Block 2 Disadvantage funding was £78k lower i.e. in order to achieve the approved 2017/18 financial plan, savings of £78k would need to be made.

It was noted that the College's 2017/18 SFA funding allocation was similar to the College's allocation for 2016/17 i.e. sufficient for 5/6 adult students.

The Committee received notification of EFA and SFA grant allocations for 2017/18.

238.8 Management accounts, incl. KPIs & cashflow, for Jan. 2017

The Director of Finance, Anna Lamplough, presented the management accounts to 31 Feb. 2017, including the financial key performance indicators (KPIs) and revised cashflow, which were discussed.

Members noted that:

- The operating surplus at the end of Feb. 2017 was £247k compared with the budgeted surplus of £232k;
- The improved position was primarily due to income in excess of that budgeted e.g. at the end of Feb. 2017, trading income was £52k in excess of budget including £16k funding received from Hull City Council for an Educational Healthcare Plan which had not been included in the budget;
- Non-pay expenditure was £27k more than budgeted but the College had spent £16.7k more than budgeted on overall pay costs;
- While the expenditure position had therefore worsened, the forecast year-end surplus remained at £397.8k.

Members considered the key financial performance indicators (KPIs), noting the addition of 2 new ratios against which the College was benchmarked i.e. cash days in hand (i.e. the total amount of cash available to the College compared to total income, which was 31 days compared with a national average of around 100 days) and the adjusted gearing ratio (which represented the total level of external borrowings as a percentage of net assets, excluding pension reserves, where due to high borrowings, the College's ratio was 26.3% in comparison with the sixth form college benchmark indicator of 9.46%).

The Committee received the management accounts for Feb. 2017, noting that the operating surplus at the end of Feb. 2017 was £247k, with the College still forecast to achieve the approved year-end surplus of £397.8k.

238.9 Verbal report on development of outline budget for 2017/18

The Director of Finance gave a verbal report on the development of outline budget for 2017/18.

Members noted that the outline budget:

- Took into account the funding reduction of £78k noted above;
- Included current predicted staffing numbers for 2017/18, noting that staffing was

- the College's largest cost [*confidential minute*];
- Capital provision for 2017/18 included £200k for IT and £240k for building works.

It was noted in response to members' questions concerning proposed capital expenditure in 2017/18 that:

- Building needs included the provision of additional library space (e.g. a mezzanine floor in the library), additional social space, and places for students to undertake personal study, and a new catering facility in the Ash Building;
- A specification and costs for the mezzanine floor in the library was being prepared and would be considered by the senior management team (SMT);
- If it was decided to proceed with the mezzanine floor, the building timeline would need to take account of the need to go through the OJEU (Official Journal of the European Union) tendering process;
- Any proposed building works would need to be affordable within the capital provision available.

The Committee noted that, under the lagged funding system, funding for 2017/18 for students aged 16-19 would be based on 1951 students i.e. a total EFA funding allocation of £8,343,080 (as stated in the EFA funding allocation considered at agenda item 238.7 above). Members discussed the College's enrolment targets for 2017/18 [*confidential minute*].

Members discussed potential opportunities for undertaking benchmarking with the College's partners in the proposed Humber Federation of 4 Sixth Form Colleges, noting in this context that one of the 4 colleges had aligned its holiday year-end with its financial year-end (i.e. 31 July 2017), which meant that it did not have to accrue in its financial statements for holiday pay, as was required under Financial Reporting Standard (FRS) 102 where the year-ends were not aligned. It was noted in response to members' questions concerning the advantages of aligning the holiday year-end with the College's financial year-end, that not having to accrue for holiday pay would affect the balance sheet positively and, in the year that it was implemented, would improve the EBITDA (Earnings before interest, tax, depreciation and amortisation) KPI.

The Committee discussed the possibility of achieving enhanced value for money through joint tendering by the proposed Federation partners e.g. possible joint tendering for auditors. Members discussed, in this context, the value of retaining an internal audit service given that it was no longer a funding council mandatory requirement, noting that use of an internal audit service enabled the Audit Committee to provide the Corporation, in a cost-effective way, with the assurance required under the Audit Code of Practice that, in the Audit Committee's opinion, reliance could be placed upon the adequacy and effectiveness of the College's framework of governance, risk management and control and its processes for securing economy, efficiency and effectiveness. It was noted that the external auditors took account of the internal auditors' work, where appropriate, with unnecessary duplication of audit work avoided. John Wilson, as Chair of the F&GP Committee and of the Corporation, highlighted in this context the importance of the independent judgement of the Audit Committee when recommending to the Corporation the reviews to be included in the annual internal audit plan.

The Committee received a verbal update on the development of the outline budget for 2017/18.

238.10 Annual review of governance budget

Members noted that the annual review of the governance budget had been deferred to the Committee's May 2017 meeting. It was noted in response to members' questions that the 2016/17 budget was about half-spent to date but that a number of significant invoices remained to be paid e.g. auditors' invoices.

The Committee received a brief verbal report on the governance budget.

Student residential & overseas visits

238.11 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that there were no planned student overseas visits on which a report had not already been made to the Committee.

It was noted, in response to members' questions, that the Principal had recently returned from a successful visit to Beijing in China, with Dina Lewis (Head of School, School of Education and Social Sciences, University of Hull and Wyke Sixth Form college Corporation member) and Andy Grace (Principal of the Boulevard Academy), during which they had provided information on liaison work undertaken by the 3 institutions. The visit had also provided an opportunity to learn about the Chinese education system.

The Committee received a verbal report on overseas visits.

Strategic matters

238.12 Report on strategic matters, incl. property strategy, Area Based Review (ABR) & federation matters

(i) Property strategy

It was noted that possible building works in 2017/18 had been discussed at agenda item 238.9 above.

(ii) Proposed Humber Federation of Sixth Form Colleges

The Principal reported that a meeting to consider a Memorandum of Association for the proposed federation would be held on 8 May 2017, to be attended by the principal and 2 corporation members from each of the 4 colleges. It was noted that John Wilson would attend as Chair of Wyke's Corporation and that a second Corporation member, to attend with him, should be sought,

Action: JW/Clerk

John Wilson, as Chair of the Corporation, gave a verbal report on the Humber Federation of Sixth Form Colleges Principals and Corporation members' meeting which had been held on 29 Mar. 2017. It was noted that John Wilson, Mike Noddings, Phil Taylor and the Vice-Principals (in the absence of the Principal who had been in China) had represented Wyke at the meeting, with the Clerk in attendance.

Members noted that John Boyle (Chair of Governors at Blackpool Sixth Form College and of Fylde Coast Teaching School and of Fylde Academy Trust, Special Adviser to the Secretary of State for Education and the Sixth Form College Commissioner, Sixth Form Colleges' Association Director of Funding and Finance Hub) had given a presentation at the meeting on Blackpool Sixth Form College's relationship with the Fylde Coast Teaching School and Fylde Academy Trust, highlighting possible structural and cultural issues of similarity with the proposed Humber Federation of Sixth Form Colleges.

[Confidential minute].

Members noted that the Area Based Review recommendation approved by the Corporation had been the establishment of a formal federated structure to drive up quality, sustain and improve the curriculum offer, and introduce a range of shared services by July 2017, with the colleges, as independent institutions, continuing to review, through the federation, further options for closer collaboration and structural change. Members noted in discussion the importance of quality improvement as an appropriate place to start joint working (e.g. through joint staff training events), being the area most likely to add value to the student experience. Members noted in discussion that as independent corporations, individual colleges would not be obliged to opt into any federation proposal which their corporation did not consider to be in the college's interests.

(iii) Deed of covenant with Kelvin Hall School

The Chair noted, with reference to a deed of covenant relating to Kelvin Hall School's conversion to academy status and vehicular access, which had been sealed and signed in Nov. 2017, that an e-mail relating to this from Hull City Council had also mentioned the possible need for a deed of rectification relating to a deed of transfer dated 2010 between the Council and the College. It was noted that there had been no further correspondence on this matter and that the Clerk would follow this up and report to the Committee.

Action: Clerk

The Committee received a report on strategic matters, including property strategy, the Area Based Review (ABR) and federation matters.

Documents from outside bodies

238.13 Documents from the EFA, SFCa, DfE, BIS & other outside bodies

The Committee received, for information, a letter to colleges dated 16 Mar. 2017 from the FE and the SFC Commissioners on Area Based Reviews and on Commissioner interventions.

Final matters

238.14 Any other business

(i) AoC Under 19 Boys' Football team final

It was noted that John Wilson, as Chair of the Corporation, and the Principal would be attending the Association of Colleges' national football final, in which the College's boys' under 19 football team would be playing, on Thurs. 4 May 2017, which was the scheduled date for the next F&GP Committee meeting.

(ii) Payroll contract

The Director of Finance reported that the College's payroll contract with East Riding of Yorkshire Council had ended on 31 Mar. 2017 and she was advising that this should be renewed on a temporary rolling basis to allow the College to go out to tender with another federation member, with the aim of securing enhanced value for money.

The Committee agreed that the College's payroll contract with East Riding of Yorkshire should be renewed on a temporary rolling basis to allow the College to go out to tender.

Action: AL

238.15 Risk management – items identified at the meeting

No new items of risk were identified at the meeting.

238.16 Date of next meeting

It was noted that the Principal and John Wilson, as Chair of the Corporation, would be attending the Association of Colleges' national football final, in which the College's boys' under 19 football team would be playing, on Thurs. 4 May 2017, which was the scheduled date for the next F&GP Committee meeting.

The Committee agreed that the Committee meeting to be held on 4 May 2017 should be cancelled and that the Clerk should consult with members on an alternative date.

Action: Clerk

**Finance & General Purposes Committee of Corporation
Minutes of meeting 239, held on 2 May 2017**

Present: Mike Noddings (Vice-Chair), Jim Darmody (Committee member), Mark Moore (Committee member), Phil Taylor (Committee member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Anna Lamplough (Director of Finance), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal), Ian Taylor (Assistant Principal)

239.1 Apologies for absence

It was noted that John Wilson (F&GP Committee Chair) hoped to join the meeting later. In John Wilson's absence, Mike Noddings (F&GP Committee Vice-Chair) chaired the meeting.

239.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

239.3 Minutes of meeting 238 held on 4 Apr. 2017, incl. the confidential minutes

The minutes of meeting 238 held on 4 Apr. 2017, including the confidential minutes, were approved.

239.4 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

1 The Feb. 2017 minutes had been amended, as agreed (238.3).

2 It had been agreed that committee meetings should, if possible, not be held in the week immediately after half-term in future. The Clerk confirmed that this would be considered when the 2017/18 schedule of meetings was being agreed (238.4).

Action: Clerk

3 With reference to the Student Association Constitution, a new paragraph on the Transport and Resources Officer role had been approved at the Apr. 2017 Student Committee meeting and would be presented to the May 2017 Corporation meeting for approval (subject to consultation with the Student Association Executive) (238.4).

Action: Clerk

4 It had been agreed that risks relating to the transmission of sensitive data by e-mail should be considered with reference to the use of appropriate encryption and Corporation members reminded of the need to ensure that all e-mail correspondence with the College was either copied to the Clerk or to another relevant staff member, with a briefing note to this effect presented to

the May 2017 Corporation meeting (238.4).

Action: Clerk

- 5 It had been noted that a meeting to consider a Memorandum of Association for the proposed federation would be held in May 2017 and would be attended by the Principal, John Wilson as Chair of Wyke's Corporation, and Phil Taylor. John Wilson reported that he would not now be able to attend the meeting and that Neil Cavill would therefore attend in his place (238.12).

Action: JKT/PT/NC

- 6 With reference to the possible need for a deed of rectification relating to a deed of transfer dated 2010 between the College and Hull City Council, it was noted that the Clerk had contacted the College's solicitor concerning this and would reported further in due course (238.12).

Action: Clerk

- 7 With reference to the Committee's decision that the College's payroll contract with East Riding of Yorkshire Council (ERYC) should be renewed on a temporary rolling basis to allow the College to go out to tender, the Director of Finance, Anna Lamplough, confirmed that this had not been possible and the contract had therefore been renewed for a year (238.14).

- 8 Following consultation, the Committee's May 2017 meeting had been moved from Thurs. 4 May to Tues. 2 May 2017, to allow the Principal and the Chair of Corporation to attend the English Colleges' under-19 boys football final in which the College was taking part (238.16).

Health & Safety (H&S) & property matters

239.5 H&S Committee report

The Director of Finance confirmed that a Health & Safety Committee meeting had been arranged for 3 May 2017.

Student numbers & funding

239.6 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the Apr. 2017 student numbers and funding report, which was considered.

Members reviewed tables measuring retention by the following methods: retention with reference to programmes and retention by numbers of students at the College.

Members noted that:

- With reference to the table showing retention with reference to programmes, retention remained down at Levels 3 and 2 [*confidential minute*];
- With reference to retention by numbers of students at the College, the trend for lower retention overall and amongst first and single year students, previously noted, was continuing [*confidential minute*];
- Retention for second year students for Mar. 2017 was identical to Mar. 2016 i.e. 98.5%.

(Mark Moore joined the meeting).

It was noted in response to members' questions that:

- National benchmarking data should be available from late autumn 2017;
- It was possible that students who would previously have left the College at the end of the first year were now leaving earlier, as the introduction of linear A Levels meant that the incentive of remaining until the end of the summer term in order to gain an AS qualification had been removed;

- Single year retention appeared to be affected by students leaving to take up apprenticeships;
- A 1% fall in first year retention meant that around 10 students had left the College, whereas a 1% fall in single year retention meant that one student had left the College, due to the greater proportion of students on 2 year courses;
- The curriculum was being reviewed for 2017/18, with the aim of improving retention.

The Committee received the student numbers and funding report for Mar. 2017, noting the continuing trend for lower retention overall and amongst first and single year students.

(Bill Jackson left the meeting).

Financial Matters

239.7 Management accounts, incl. KPIs & cashflow, for Mar. 2017

The Director of Finance, Anna Lamplough, presented the management accounts to 31 Mar. 2017, including the financial key performance indicators (KPIs) and revised cashflow, which were discussed.

Members noted that:

- The operating surplus at the end of Mar. 2017 was £275k compared with the budgeted surplus of £265k;
- Both income and expenditure were ahead of budget, with the forecast year end surplus remaining at £397.8k;
- Trading income was £75k in excess of budget;
- Non-pay expenditure was £39k more than budgeted;
- The College had spent £32k more than budgeted on overall pay costs, noting that an invoice for agency costs had been received in Apr. 2017 which related to supply teaching in Jan./Feb. 2017;
- Trade debtors included £4,000 in respect of tuition fees, part of which had been paid in Apr. 2017;
- The commentary to the management accounts recorded the Director of Finance's opinion that the bank balance was forecast to remain at an acceptable level for the next 12 months and that the College would be able to manage its cash flow without resorting to a working capital facility from the bank during 2016/17.

It was noted in response to members' questions that there was always a dip in the cash flow in Mar. annually, due to the profile of funding agency grant payments, with cash flow forecast to return to over £1 million in June 2017.

It was noted that the Director of Finance would respond by e-mail to a question from Mark Moore concerning the bank balance at the end of Apr. 2017.

Action: AL

The Committee received the management accounts for Mar. 2017, noting that the operating surplus at the end of Mar. 2017 was £275k, with the College still forecast to achieve the approved year-end surplus of £397.8k.

239.8 Verbal report on development of outline budget for 2017/18

The Director of Finance reported that the development of the budget for 2017/18 was continuing, with the pay budget currently being refined.

The Committee received a verbal report on the development of outline budget for 2017/18.

239.9 Impact of General Election on funding guarantee

The Committee noted, with reference to the impact of the General Election on the funding guarantee for 16-19 year old students, that the Chancellor of the Exchequer,

George Osborne's autumn statement in Nov. 2015 had stated that the Government would maintain the current national base rate of funding for 16-19 year old students for the whole Parliament.

239.10 Annual review of governance budget

The Committee considered the budget-holder statements for the Corporation budget and the General Resources budget, noting that the external audit costs were also part of the governance budget. The Director of Finance reported that the finance department version of the Corporation budget, which included accruals, showed that about 60% of the budget had been committed to date.

The Committee received a report on the governance budget.

239.11 ESFA letter re early intervention

The Committee noted that:

- Having reviewed the College's Financial Plan 2016 to 2018, the Education Funding Agency (EFA) had written to the College on 11 Nov. 2016 to confirm that they had agreed that the appropriate financial health grade for the College was Satisfactory for 2015/16 and Good for 2016/17, with the underlying grade for the College being Satisfactory;
- The letter had also requested that the College's should submit its latest monthly management accounts and cash flow forecast to the EFA quarterly;
- The College had subsequently received a letter from the EFA/Skills Funding Agency (SFA) early intervention strategy team dated 25 Jan. 2017, which had been presented to the Corporation and F&GP Committee in Feb. 2017, and which had stated that: 'Our assessment of the data we hold on your college has concluded that . . . your organisation . . . meets the triggers for early intervention' due to a weak Satisfactory financial health score;
- The College had recently received a letter dated 13 Apr. 2017 from the Education & Skills Funding Agency (ESFA) confirming that, based on their latest assessment, the College did not meet the criteria for early intervention.

It was noted that the EFA letter of 11 Nov. 2016 noted above had required the College to submit management accounts and cash flow forecasts quarterly and the Director of Finance would confirm with the ESFA that these were no longer required.

The Committee received an ESFA letter of 13 Apr. 2017, noting that the College did not meet the early intervention criteria and that the letter would be presented to the May 2017 Corporation meeting.

Action: Chair, F&GP

239.12 Arrangements for approval of 2017/18 tuition fees

The Committee agreed that the proposed 2017/18 tuition fees schedule should be presented to the May 2017 Corporation meeting for approval.

Action: Clerk

Student residential & overseas visits

239.13 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that there were no new trips or visits to be brought to the Committee's attention.

Strategic matters

239.14 Report on strategic matters, incl. property strategy, Area Based Review (ABR) & federation matters

The Principal gave a verbal report on strategic matters.

(i) Area Based Review

Members noted that the ABR process having concluded, the 4 Humber sixth form colleges were working to establish the Humber sixth form colleges' federation. The Principal reported that the 4 Principals would meet later in the week to discuss arrangements for the federation's proposed launch on 12 July 2017.

[Confidential minute].

(ii) Planning for 2017/18, including property strategy

Members noted that:

- The College was awaiting indicative costs for proposed building works (e.g. the addition of a mezzanine floor in the library, additional social space and places for students to undertake personal study, and a new catering facility in the Ash Building) to determine whether the cost would be within the notional budget allocated;
- Curriculum and staffing for 2017/18 were being reviewed;
- Increasing international student numbers at the College was being considered;
- The College would be employing a lettings company from Sept. 2017 to help maximise lettings income but was already advertising to generate interest;
- Discussions were being held concerning an HNC in Health & Social Care offered by CU Scarborough, part of the Coventry University Group, which would be accommodated at the College.

The Committee received a verbal report on strategic planning issue.

Documents from outside bodies

239.15 Documents from the ESFA, SFCA, DfE, BIS & other outside bodies

The Committee considered the following documents:

- A letter dated 4 Apr. 2017, informing the College that the EFA and SFA had merged to become the Education & Skills Funding Agency (ESFA);
- A letter dated 13 Apr. 2017 to college principals, as accounting officers, from Peter Lauener, Chief Executive of the ESFA, reminding colleges of the importance of good governance in ensuring financial sustainability;
- Extracts from the Sixth Form Colleges Association (SFCA) Updates of 29 Mar. and 27 Apr. 2017;
- Rollits' Education Focus, Apr. 2017.

It was noted with reference to the Association of Colleges (AoC) Code of Good Governance for English Colleges (the AoC Code), which was referred to in Peter Lauener's letter as a useful resource which set out the principles against which colleges should test their own arrangements, that the Corporation had not adopted the AoC Code, which had been designed primarily for FE colleges. The Audit Committee had, however, reviewed the College's practice against the AoC Code's 10 principles, with the College reporting in its annual financial statements against the Financial Reporting Council's UK Corporate Governance Code.

It was noted, with reference to the SFCA Update of 29 Mar. 2017, that:

- The new Trade Union Act, which came into force on 1 Mar. 2017, had introduced a 50% threshold for voter turnout, with sixth form colleges expected to fall within the category of important public services to which the additional requirement that 40% of eligible trade union members should support industrial action would apply;
- A recently published Department for Education (DfE) report had concluded that the recent expansion of A level provision in small providers had led to small classes and therefore higher costs, which appeared to support the SFCA's case that increasing the number of small sixth form providers did not make educational or economic sense, with sixth form colleges offering both academic quality and financial efficiency.

The articles in Rollits' Education Focus, Apr. 2017 on the proposed insolvency regime for

colleges and on pensions and insolvency were noted.

The Committee received the above documents.

Appendix A

239.16 ***The Committee noted that agenda item 6 (Student numbers & funding report) had been considered earlier on the agenda.***

Final matters

239.17 **Any other business**

There was no other business not already on the agenda.

239.18 **Risk management – items identified at the meeting**

No new items of risk had been identified at the meeting.

239.19 **Date of next meetings**

(John Wilson joined the meeting).

It was noted that the Committee was next scheduled to meet on Tues. 6 June 2017 and Tues. 27 June 2017 at 4.30pm.

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 240, held on 6 June 2017**

Present: John Wilson (Chair) Mike Noddings (Vice-Chair), Jim Darmody (Committee member), Phil Taylor (Committee member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Mark Rothery (Vice-Principal)

240.1 Apologies for absence

Apologies were received from Mark Moore (F&GP Committee member). Apologies were also received from the following senior managers: Anna Lamplough (Director of Finance) and Julie Peaks (Vice-Principal).

240.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

240.3 Minutes of meeting 239 held on 2 May. 2017, incl. the confidential minutes

The minutes of meeting 239 held on 2 May. 2017, including the confidential minutes, were approved.

240.4 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It had been agreed that committee meetings should, if possible, not be held in the week immediately after half-term in future, which would be taken into account when the 2017/18 meeting dates were set (239.4).

Action: Clerk

- 2 A new paragraph on the Transport and Resources Officer role had been approved by the May 2017 Corporation meeting for inclusion in the Student Association Constitution (239.4).

- 3 The briefing note on risks relating to the transmission of sensitive data by e-mail would be presented to the May 2017 Corp. meeting (239.4).

Action: Clerk

- 4 A meeting to consider a Memorandum of Association for the proposed federation had been held on 16 May 2017. As John Wilson had been unable to attend as Chair of Wyke's Corporation, Phil Taylor had attended in his place. A report on federation meetings would be given at the July 2017 Corporation meeting (239.4).

Action: Clerk

- 5 The Clerk had contacted the College's solicitor and had reported to the May 2017 Corporation meeting that he had confirmed that the proposed deed of rectification had not been issued by Kingston upon Hull City Council to date (239.4).

- 6 With reference to a question from Mark Moore concerning the bank balance at the end of Apr. 2017, the Director of Finance had confirmed by e-mail that the College had not reconciled the bank accounts so could not provide details of the ledger balance but, according to the Barclays' statement, the College had £938k in that account, with £10k in the Lloyds account (239.4).
- 7 The Education and Skills Funding Agency (ESFA) letter of 13 Apr. 2017 had been presented to the May 2017 Corporation meeting (239.11).
- 8 The May 2017 Corporation meeting had delegated approval of the 2017/18 tuition fees to the F&GP Committee, which were on the agenda (239.12).

Health & Safety (H&S) & property matters

240.5 H&S Committee report

The Committee noted that a report on the May 2017 H&S Committee meeting would be presented to the late June 2017 meeting of the F&GP Committee.

Action: Director of Finance/Premises Manager

Student numbers & funding

240.6 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the May 2017 student numbers and funding report, which was considered. Members reviewed tables measuring retention by the following methods: retention with reference to programmes and retention by numbers of students at the College.

Members noted that:

- The June R10 ILR (Individualised Learner Record) return, would report 1,957 Education Funding Agency (EFA) funded learners (16-19) and two Skills Funding Agency (SFA) Funded Learners (19+), noting that the 2 agencies had merged to become the Education & Skills Funding Agency (ESFA) from Apr. 2017;
- Retention measured by programme for May 2017 for Levels 2 and 3 was lower than in May 2016 *[confidential minute]*;
- Retention measured by student numbers for Apr. 2017 showed a continuing trend for First and Single Year students having lower retention compared to Apr. 2016, which had also affected the overall retention rate *[confidential minute]*;
- Second Year retention was slightly higher than in Apr. 2016 *[confidential minute]*.

The Committee received the student numbers and funding report for May 2017, noting the continuing trend for lower retention overall and amongst First and Single Year students.

Financial Matters

240.7 Management accounts, incl. KPIs & cashflow, for Apr. 2017

The Committee considered the management accounts for Apr. 2017, noting that they had also been presented to the May 2017 meeting of the Corporation.

Members noted:

- The operating surplus at the end of Apr. 2017 was £318k compared with a budgeted surplus of £298k;
- Both income and expenditure were above budget, with the forecast year end surplus remaining at £397.8k.

The Committee received the management accounts for Apr. 2017, noting that the Director of Finance considered that the forecast year end surplus should be achieved.

(Bill Jackson left the meeting).

240.8 Verbal report on development of outline budget for 2017/18

The Principal reported that the Director of Finance was continuing to develop the draft budget for 2017/18. It was noted, in this context, that quotes were being obtained

proposed capital works and that Mark Rothery (Vice-Principal) would discuss updated staffing arrangements for 2017/18 with the Director of Finance e.g. taking into account recent internal promotions and external appointments.

The Committee received a verbal report on the development of the 2017/18 budget, noting that the draft budget would be presented to the meeting of the Committee due to take place on 27 June 2017.

Action: Director of Finance

240.9 Tuition fees for 2017-18

It was noted that the May 2017 meeting of the Corporation had delegated approval of tuition fees for 2017/18 to the F&GP Committee. The Committee considered draft tuition fees for 2017/18, which had been approved by the College's senior management team, noting that a small inflationary increase was proposed, with the exception of the overseas student fee which would remain at £6k as agreed in 2016.

It was noted in response to members' questions concerning overseas students that the College had recently issued a Confirmation of Acceptance for Studies (CAS) for 2017/18 for an overseas student recruited through student recruitment agency, EF.

The Committee approved tuition fees for 2017/18, on the recommendation of the College's senior management team, agreeing that the basis for setting tuition fees, including ESFA requirements, should be reviewed in detail when the 2018/19 fees were proposed.

Action: Director of Finance/Director of NIS

Student residential & overseas visits

240.10 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that there were no student trips to bring to the Committee's attention but that 16 members of staff would be attempting the Snowdon Horseshoe walk.

The Committee received a verbal report from the Principal on trips and visits.

Strategic matters

240.11 Report on strategic matters, incl. property strategy, Area Based Review (ABR) & federation matters

The Principal gave a verbal report on strategic matters.

(i) Wyke Start

It was noted in response to members' questions that Wyke Start would be held 2-5 July 2017, numbers due to attend were currently similar to 2016 and reminders would be sent out shortly.

[Confidential minute].

(ii) Capital expenditure

Members noted that the College was obtaining quotes for proposed capital expenditure work in 2017/18 e.g. the addition of a mezzanine floor in the library, an additional catering facility.

(iii) Partnerships: Humber Federation of Sixth Form Colleges

Members noted that planning for the Federation Day at the University of Hull on 12 July 2017 was underway, with an external speaker planned. Staff and 4 Corporation members would be attending.

(iv) Partnerships: Coventry University

It was noted in response to members' questions concerning Coventry University's Higher National Certificate (HNC) in Health & Social Care which was scheduled to be taught on 2 evenings a week at Wyke starting in Oct. 2017, that the University would do a site risk assessment visit shortly.

[Confidential minute].

(v) Partnerships: University of Hull

The College and the University of Hull were in discussion concerning the contribution the former could make to the University's widening participation commitments. [*Confidential minute*].

The Committee received a verbal report on strategic matters.

Documents from outside bodies

240.12 Documents from the ESFA, SFCA, DfE, BIS & other outside bodies

The Committee considered the following documents:

(i) Sixth Form Colleges' Association (SFCA) policy position on student retention & the funding formula (May 2017)

It was noted that the SFCA would inform the ESFA that its view was that any student on a two year linear course who took internal Year 1 examinations had completed the year and should therefore be counted for the calculation of the retention factor i.e. that SFCs should not be penalised for students that left colleges in June or July at the end of their first year.

(ii) SFCA Manifesto (May 2017)

The Committee received, the SFCA Manifesto (May 2017), which had been issued in response to the General Election due to be held on 8 June 2017, and which called upon all political parties to adopt four recommendations aimed at increasing investment in sixth form education.

(iii) Leadership Foundation for HE (LFHE): extract from briefing on shared governance (Apr. 2017)

The Committee received an extract from a LFHE briefing on research undertaken in the USA on the concept of 'shared governance', which concluded that, while governing bodies and management recognised and supported each other's authority, most heads of institution considered that understanding of each other's contributions to the workings of shared governance could be strengthened e.g. through appropriate induction for new governors and managers on the role and responsibilities of each party. The Clerk reported that, while induction for governors included a discussion of the distinct roles and responsibilities of the Corporation and the Principal, a similar induction session had not been provided for senior managers.

It was agreed that the Clerk and the Chair of the Corporation would, in future, provide a governance induction session for new members of the College's SMT, starting with an induction session for Chris Herring, who would be joining the SMT as an Assistant Principal from Sept. 2017.

Action: Chair of Corporation/Clerk

The Committee received the above documents from outside bodies.

Final matters

240.13 Any other business

(i) Hosting arrangements for overseas students

It was noted in response to members' questions concerning accommodation for overseas students that students either lived with relatives or were accommodated through a hosting agency e.g. the overseas student recruitment agency, Mission Links, had an appointed guardian scheme, with appropriate safeguarding arrangements. It was noted, with reference to overseas student recruitment agencies, that the College also used EF, which did not have an appointed guardian scheme.

The Committee completed its review of matters under the Any Other Business heading.

240.14 Risk management – items identified at the meeting

It was noted that no new items of risk had been identified at the meeting. Page 51

240.15 Date of next meeting

It was noted that the Committee was next due to meet on Tues. 27 June 2017 at 4.30pm.

Action: Clerk

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 241, held on 6 July 2017**

Present: John Wilson (Chair), Mike Noddings (Vice-Chair), Jim Darmody (Committee member), Mark Moore (Committee member), Phil Taylor (Committee member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Anna Lamplough (Director of Finance), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal), Ian Taylor (Assistant Principal), Alan Woodcock (Premises Manager)

241.1 Apologies for absence

There were no apologies for absence.

241.2 Declaration of interests

There were no declarations of interest.

Minutes & matters arising

241.3 Minutes of meeting 240 held on 6 June. 2017, incl. the confidential minutes

The minutes of meeting 240 held on 6 June 2017, including the confidential minutes, were approved.

241.4 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

- 1 It was noted that it had been agreed that committee meetings should, if possible, not be held in the week immediately after half-term in future.
Action: Clerk
- 2 A briefing note on risks relating to the transmission of sensitive data by e-mail would be presented to the July 2017 Corporation meeting.
Action: Clerk
- 3 A meeting to consider a Memorandum of Association for the proposed federation had been held on 16 May 2017. Information on the federation training day to be held on 12 July 2017 would be presented to the July Corporation meeting.
Action: Clerk
- 4 The draft 2017/18 budget was on the agenda.
- 5 It had been agreed that the basis for setting tuition fees, including Education & Skills Funding Agency (ESFA) requirements, would be reviewed in detail by the Committee when the 2018/19 fees were proposed i.e. during summer term 2018.

Action: Clerk

- 6 It had been agreed that the Clerk and the Chair of the Corporation would, in future, provide a governance induction session for new members of the College's senior management team (SMT), starting with an induction session for Chris Herring, who would be joining the SMT as an Assistant Principal from Sept. 2017.

Action: Clerk/Chair

- 7 It was noted that following consultation, the Committee meeting scheduled for Tues. 27 June 2017 at 4.30pm had been moved to Thurs. 6 July 2017.

Health & Safety (H&S) & property matters

241.5 H&S Committee report

Alan Woodcock (Premises Manager) presented the H&S Committee minutes of 17 May 2017, which were considered.

Members noted in discussion that departmental risk assessments were ongoing and that those which were outstanding would be followed up. Alan Woodcock reported that the efficiency of the scheme would be improved by replacing the paper version with an online version.

Action AW/WGJ/AR

The Committee received the H&S Committee report, emphasising the importance of ensuring that risk assessments were up to date.

241.6 Annual Review of H&S Policy and H&S Committee terms of reference and Environmental Policy

The Committee completed its annual review of the following College documents:

- the H&S Committee terms of reference,
- the H&S Policy, and
- the Environmental Policy

The Committee agreed to recommend to the Corporation a minor updating change to the H&S Committee terms of reference.

Action: Chair

241.7 ESFA fire safety survey

The Committee noted that, following the Grenfell Tower fire, the ESFA had asked colleges to provide information on its buildings and risk assessment, with their online survey having a submission deadline of Tuesday 4th July 2017.

Alan Woodcock reported that the College did not meet the relevant ESFA criteria which would indicate that the College was at particular risk i.e. the College had no residential accommodation, there were no buildings of more than 4 storeys, and the buildings did not have cladding.

The Committee received a report on the ESFA fire safety survey, noting that the College did not meet the stated risk criteria.

(Alan Woodcock left the meeting).

Student numbers & funding

241.8 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the June 2017 student numbers and funding report, which was considered. Members reviewed

tables measuring retention by the following methods: retention with reference to programmes and retention by numbers of students at the College.

Members noted that:

- The College would report, 1,955 EFA funded learners (aged 16-19) and two SFA Funded Learners (aged 19+) in its June 2017 R11 ILR return;
- As previously discussed and noted with reference to programmes, retention was down at Levels 2 and 3 when compared to the previous year and, with reference to retention by numbers, the trend for lower First and Single Year retention had also continued.

It was noted in response to members' questions that:

- Based on Wyke Start numbers, enrolment of new students in autumn 2017 should be similar to 2016;
- 779 First Year students had been enrolled for 2017/18 into the Second Year, 26 students would re-start and 42 potential enrolments were outstanding;
- There were fewer young people aged 16-19 in Hull but the College still expected to enrol around 2,000 students;
- A member of the senior management team would have responsibility for student applications during the summer holiday.

The Chair emphasised the importance of enrolment being an efficient and positive experience for applicants, as had been the case in 2016.

The Committee received the June 2017 student numbers and funding report, noting that overall retention from the census date in May 2017 was lower than the previous year i.e. 95.1% (May 2016: 95.8%).

(Bill Jackson left the meeting).

Financial Matters

241.9 Management accounts, incl. KPIs & cashflow, for May 2017

The Director of Finance, Anna Lamplough, presented the management accounts to 31 May 2017, including the financial key performance indicators (KPIs) and revised cashflow, which were discussed.

Members noted that:

- The operating surplus at the end of May 2017 was £364k compared with a budgeted surplus of £331k;
- Both income and expenditure were above budget, with the forecast year end surplus remaining at £397.8k;
- With reference to trading income, funding had been received from Hull City Council for an Educational Healthcare Plan, which had not been budgeted for;
- With reference to non-pay expenditure, student transport expenditure was expected to be £30k overspent at year-end.

The Committee received the management accounts for May 2017, noting that the College appeared to be on target to achieve the forecast year end surplus.

(Julie Peaks, Vice-Principal, left the meeting).

241.10 Draft 3-year financial plan, including capital projects and budgets, financial health grade assessment, commentary & financial PIs & objectives: for recommendation to Corporation

Anna Lamplough, Director of Finance, presented the following documents, which were considered by the Committee: the draft income and expenditure budget 2017/18; a table showing movements in pay in the financial plan; the 3 year financial plan 2016/17-2018/19 including commentary.

Members noted that:

- The financial plan assumed that ESFA funded student numbers would remain at approximately 1,950 at the census date in Oct. 2017;
- The College's financial health grade was reported as 'Good' for all 3 years in the financial plan;
- Key assumptions in the plan included Baseline ESFA funding in 2017/18 in accordance with allocations, formula protection having ceased and disadvantage funding having fallen by £95k, with no predicted change in the national funding rate, retention factor or disadvantage funding in 2018/19 and income based on static numbers for students aged 16-18;
- The contribution from catering in 2016/17 was lower than in 2015/16 due to competition;
- Due to changes in the curriculum, the budgeted teaching establishment would reduce from 91.2 FTEs in 2016/17 to 88.4 FTEs in 2017/18, with a further 3.5 FTE reduction planned for 2018/19.

It was noted in response to members' questions that:

- The SMT was comfortable that the proposed reduction in teaching FTEs was achievable, noting that failure to do so could affect the College's financial health rating;
- Incremental pay rises for teaching staff were shown at 2%, with inflationary rises for all staff (i.e. teaching and support staff) at 1%;
- With reference to movements between the 2016/17 and 2017/18 budgets, a 2% increase in catering income turnover was assumed between 2016/17 and 2017/18, with increases in pay expenditure in relation to catering related to the National Living Wage increase from April 2018;
- The College needed to ensure a balance between maintaining student choice in relation to catering and ensuring that the catering service made an appropriate and sustainable contribution to costs, which was kept under review;
- A £2,000 increase in income from lettings was shown for 2017/18, noting the use of an external lettings company;
- The possibility of additional trading income as a result of a contract with Coventry University in relation to the provision of an HNC in Health and Social Care at the College site.

The Director of Finance explained that:

- Due to the release of the holiday pay accrual in 2017/18, which was originally made to comply with Financial Reporting Standard (FRS) 102, pay costs had reduced by £396k as a one-off benefit to the Statement of Comprehensive Income;
- The holiday year for staff would therefore be altered, with staff consent, from 31 August to 31 July to facilitate this change.

It was noted in response to members' questions as to whether the above change should be shown as a prior year adjustment, that the Director of Finance had discussed the change with the College's external auditors, who had considered it to be more of a contractual than an accounting issue. It was agreed that the Director of Finance would raise the possibility of showing the change as a prior year adjustment with the College's external auditors and with one of the federation colleges, which had previously implemented the same change, and would e-mail their comments to members.

Action: AL

It was also agreed that the Director of Finance would add a comment explaining the holiday pay accrual in 2017/18 to a relevant narrative box in the ESFA financial plan template before the plan was presented to the Corporation.

Action: AL

It was agreed that the Director of Finance would also discuss with the external auditors

how the above change should be presented in the financial statements for the year ending 31 July 2018.

Action: AL

Members noted that:

- Non-pay inflation was assumed to be 2.3% for the period of the plan, in line with the forecast Consumer Prices Index (CPI), however cost savings had been built into the plan;
- The situation concerning loan financing was unchanged;
- Capital expenditure would be lower due to the decision not to add a mezzanine floor in the library, which would release more cash;
- Other Creditors (Schedule 4: Balance Sheet of the financial plan) was shown as reduced in 2017/18 by £396k due to the reversal of the holiday pay accrual which was made to comply with FRS 102, which would result in a corresponding reduction in staff costs in 2017/18;
- With reference to key performance indicators (KPIs), the adjusted current ratio would be 1% due to the release of capital funds and staff cost as a percentage of income would be 64.92% in 2016/17 increasing to 66.43% in 2018/19, which was still considered efficient for the sixth form college sector.

Members discussed whether the budget included any costs relating to the establishment of the Humber federation of 4 sixth form colleges, noting that a £100K had been allocated to Franklin College, following the outcome of the Area Based Review (ABR) process to cover, for example, the legal costs of establishing the federation. It was noted that individual college corporations would also have to take individual advice on the proposed legal structure of the federation.

Action: Clerk

Members considered the sensitivity analysis with reference to actions which might be taken should student numbers be lower than forecast or CPI be higher. Members noted that the assumptions in the plan were reasonable and the plan was prudent. The Committee commended the Director of Finance on the forecast surplus for 2017/18 (excluding the holiday pay accrual adjustment), noting that this had been achieved despite funding reductions.

The Committee agreed to recommend the draft 3-year financial plan, including financial health grade assessment, commentary and financial performance indicators and objectives, to the Corporation for approval.

Action: Chair

241.11 EFSA sixth form colleges annual benchmarking report

It was noted that the EFSA sixth form colleges' annual benchmarking report had not yet received.

Action: AL

Student residential & overseas visits

241.12 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported on the following student trips which had commenced or were due to commence shortly i.e. trips to South Africa, Thailand, and Kilimanjaro. Members noted plans to take students to Everest Base Camp in 2 years' time.

The Committee received a report on student trips and visits.

Strategic matters

241.13 Report on strategic matters, incl. property strategy, Area Based Review (ABR) & federation matters

The Principal, Jay Trivedy, gave a report on strategic matters.

(i) Property strategy

Members noted in discussion that the move from 4 to 3 A Levels would require the provision of more private study space for students but that it had not been structurally possible to add a mezzanine floor to the library, as had been proposed. The College was therefore considering making more study space by moving offices from the library, which was expected to provide a similar amount of monitored extra study space for a lower cost i.e. around 40 study spaces for use with fixed PCs or laptops.

(ii) Federation news

The Principal reported that a federation training day would be held at the University of Hull on 12 July 2017, with 100 participants from each of the 4 sixth form colleges. It was noted that, in addition to the Principal, the following Corporation would be attending: John Wilson (Chair of the Corporation), Phil Taylor (Chair of the Personnel Committee), Jane Price (Parent Corporation member), and Emma Albeck (Support Staff Corporation member).

The Committee received the Principal's report on strategic matters.

Documents from outside bodies

241.14 Documents from the ESFA, SFCA, DfE, BIS & other outside bodies

Members considered a briefing from John Boyle, Director of Funding and Finance Hub t, at the Sixth Form Colleges ' Association (SFCA) on the ESFA's College Financial Planning Handbook 2017 (available at: <https://www.gov.uk/government/publications/financial-planning-handbook>).

It was noted that key changes for 2017 included:

- Where a college's financial health grade was 'inadequate', the ESFA 'may issue a Financial Notice if considered appropriate';
- Additions to the financial planning checklist to improve the quality of the supporting commentary;
- The addition of an explicit statement that the College's Accounting Officer (i.e. the Principal) had prepared the supporting commentary with due regard to the financial planning checklist;
- Clarification of how the ESFA assessed colleges' underlying financial health grade.

The Committee received a briefing on the ESFA's College Financial Planning Handbook 2017, noting that the financial planning checklist included in the Handbook would be presented to the July 2017 meeting of the Corporation.

Action: Chair/Principal

Appendix A: item 8 (Student numbers & funding report)

241.15 *It was noted that item 8 (Student numbers & funding report) had been considered earlier on the agenda.*

Final matters

241.16 Any other business

There was no other business not already on the agenda.

241.17 Risk management – items identified at the meeting

The Committee agreed that no new items of risk had been identified at the meeting.

241.18 Dates of next year's meetings

It was noted that the dates of next year's meetings remained to be agreed and

that the Clerk would consult with members by e-mail.

Action: Clerk

Fiona Bagchi
Clerk to the Corporation

**Finance & General Purposes Committee of Corporation
Minutes of meeting 242, Wednesday 27 September 2017**

Present: John Wilson (Chair), Jim Darmody (Committee member), Mark Moore (Committee member), Phil Taylor (Committee member), Jay Trivedy (Principal)

Clerk: Fiona Bagchi

In attendance: Bill Jackson (Director of Network & Information Services), Dave Johnson (Interim Director of Finance), Julie Peaks (Vice-Principal), Mark Rothery (Vice-Principal), Alan Woodcock (Premises Manager)

242.1 Apologies for absence

There were no apologies for absence.

242.2 Declaration of interests

There were no declaration of interests.

242.3 Election of Chair & Vice-Chair

John Wilson was elected Chair of the F&GP Committee for 2017/18: proposed Jay Trivedy, seconded Phil Taylor.

Phil Taylor was elected Vice-Chair of the F&GP Committee for 2017/18: proposed John Wilson, seconded Mark Moore.

Minutes & matters arising

242.4 Minutes of meeting 241 held on 6 July 2017, incl. any confidential minutes

The minutes of meeting 241 held on 6 July 2017, including the confidential minutes, were approved with the following amendment: with reference to holiday accruals, the date in the action table should be 31 July 2018.

Action: Clerk

242.5 Matters arising from the above minutes and actions

Matters Arising, below, are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of the action).

1	It was noted that while the Clerk had tried to avoid meetings immediately after half-term this had not proved possible e.g. the F&GP Committee Nov. meeting was due to be held on 6 Nov. 2017 (after the autumn term half-term break) and on 9 Apr. 2018 (after the Easter holiday) (241.4).
2	It was noted that the General Data Protection Regulations, due to come into force in May 2018, and the need for sensitive personal data to be accessed through a secure portal, would be considered further by the Audit Committee during autumn term 2017 (241.4). Action: Clerk
3	A report on the Venn4 federation training day had been presented to the Corporation at its meeting on 11 July 2017 (241.4).

	<p>A report would be made by John Wilson, as the Chair of the Corporation, at the Corporation meeting on 28 Sept. 2017 on Eversheds' advice on the proposed legal form of the Venn4 federation (following a meeting of Principals, Chairs and Vice-Chairs held on 22 Sept. 2017) (241.4).</p> <p style="text-align: right;">Action: Chair of Corp.</p>
4	<p>The Committee had agreed that the basis for setting tuition fees, including Education & Skills Funding Agency (ESFA) requirements, should be reviewed in detail when the 2018/19 fees were proposed during summer term 2018 (241.4).</p> <p style="text-align: right;">Action: Clerk</p>
5	<p>It had been agreed that a governance induction session should in future be provided for new senior management team (SMT) members.</p> <p>The Clerk reported that an induction session for the 2 new Student Corporation members had been arranged for 28 Sept. 2017 at 12.45pm which Chris Herring, as a recently appointed Assistant Principal, would join. The Chair would also hold an induction meeting with Chris Herring on 28 Sept. 2017 at 4.00pm (241.4).</p> <p style="text-align: right;">Action: Clerk/Chair</p>
6	<p>Alan Woodcock, Premises Manager, reported that that departmental risk assessments were up to date and that an electronic risk assessment system had been implemented (241.5).</p>
7	<p>The College's revised H&S Committee terms of reference had been approved at the July 2017 Corporation meeting, on the recommendation of the Committee (241.6).</p>
8	<p>The former Director of Finance, Anna Lamplough, had discussed the proposed holiday pay accrual treatment in the financial plan with Mr A Hepton of the College's external auditors, RSM, who had confirmed that: the College would only need to amend the prior period figures if there was a material error or a change in accounting policy or standards; the holiday pay accrual was an estimate based on factual/contractual circumstances at a particular time (241.10).</p>
9	<p>The following comment had been added, as agreed, in the optional narrative box at Schedule 3d (Analysis of staff costs) in the ESFA financial plan template: 'FRS 102 holiday pay accrual reversed in 2017/18 as holiday pay year will be changed to 31 July - impact £396k' (241.10).</p>
10	<p>The Interim Director of Finance, Dave Johnson, would discuss with the external auditors how the holiday pay accrual should be presented in the financial statements for the year ending 31 July 2018 (241.10).</p> <p style="text-align: right;">Action: DJ</p>
11	<p>It was noted that individual college corporations would have to take individual advice on the proposed legal structure of the federation (<i>see also the response at action 3 above</i>) (241.10).</p> <p style="text-align: right;">Action: Clerk</p>
12	<p>The draft 3-year financial plan had been approved at the July 2017 Corp. meeting, on the recommendation of the Committee (241.10).</p>

13	<p>The checklist in the ESFA's College Financial Planning Handbook 2017 had been presented to the July 2017 Corporation meeting. Before submitting the approved financial plan to the ESFA, the Principal (as Accounting Officer) had confirmed that the supporting commentary had been prepared with due regard to the financial planning checklist (241.10).</p> <p>It was noted with reference to ESFA documents, that the sixth form colleges' annual benchmarking report had yet to be received.</p> <p style="text-align: right;">Action: Clerk</p>
14	<p>2017/18 F&GP Committee meeting dates had been e-mailed to members (241.18).</p>

Health & Safety (H&S) & property matters

242.6 H&S Committee report

It was agreed that the H&S report should be considered after the student numbers and funding report.

Student numbers & funding

242.7 Student numbers & funding report

The Director of Network & Information Systems (NIS), Bill Jackson, presented the Sept. 2017 student numbers and funding report, which was considered.

Members noted that:

- The end of year R13 ILR had been submitted to the ESFA for the 2016/17 academic year, with the final R14 ILR due by 18 Oct. 2017;
- Comparison of achievement rates at Level 3 with previous years had been complicated by the introduction of linear A levels and, to obtain some form of comparison at Level 3, the report therefore compared A2 and BTEC Level 3 results for 2014/15 to 2016/17;
- During this period, pass rates at A2 had been stable (i.e. ranging between 99.4% in 2014/15 to 99.5% in 2016/17) but retention had fallen by 1.4% in 2016/17;
- BTEC pass rates had also remained stable (i.e. ranging between 99.4% in 2014/15 to 99.9% in 2016/17) but retention had fallen in 2016/17 by 7.1%.

It was noted in response to members' questions that the College had reviewed the reasons for the fall in BTEC retention, which included:

- BTECs being taken by first year students as electives;
- Students leaving the College to take up apprenticeships;
- Use of BTECs as 'rescue package' courses for students with lower Year 1 grades.

It was noted in response to members' questions that:

- About 50% of BTECs in 2016/17 had been taken as electives;
- The reasons for the fall in BTEC retention in 2016/17 had been reviewed in detail at course level as part of the College's self-assessment review process, with actions to address the issue being planned.

[Confidential minute].

It was noted in response to members' questions that:

- The College was still receiving a very small number of late applications for 2017/18;
- The College currently had 1,176 Year 1 students, including Single Year students;
- The College has appointed a Single Year co-ordinator, with the aim of increasing Single Year students' progression from Level 2 to Level 3;
- Jamie Davies (Assistant Principal) would present a report on enrolment for 2017/18 to the Corporation meeting on 28 Sept. 2017;

- Nationally some A Level courses were still transitioning to the linear format, although all the College's A Level courses were treated as linear;
- All A Levels being taken by Year 1 students were linear;
- 30% of A Levels taken by Year 2 students were not linear, due to the proportion of students taking Maths.

The Committee received the student numbers report for Sept. 2017.

Health & Safety (H&S) & property matters

242.6 H&S Committee report

Alan Woodcock, Premises Manager, presented the minutes of the H&S Committee meeting held earlier on 27 Sept. 2017, which were considered.

Members noted that:

- A fire drill had been held successfully earlier in the day;
- Staff had received advance notice of the drill, together with a reminder of specific and general fire drill duties, given that there were a number of staff who had recently joined the College;
- The College was considering using online H&S training in the future;
- The H&S Committee was considering increasing its membership e.g. to include PE and Dance staff;
- There had been 2 minor accidents year to date.

The Committee received the Sept. 2017 H&S Committee minutes.

(Bill Jackson and Alan Woodcock left the meeting).

Financial Matters

242.8 Management accounts, incl. KPIs & cashflow, for July 2017

The Interim Director of Finance, Dave Johnson, presented the management accounts for July 2017, which were considered.

Members noted that:

- The operating surplus as shown in the management accounts at 31 July 2017 was £437k compared with the budgeted surplus of £398k;
- Both income and expenditure were above budget;
- The year-end adjustment for Financial Reporting Standard (FRS) 102 holiday pay provision had not yet been finalised and would affect the final reported net surplus figure;
- Trading income was £58.3k in excess of budget, including catering income £4k higher than budget, overseas student fees, and income from Hull City Council in respect of an Educational Health Care Plan which had not been included in the original budget;
- Non-pay expenditure was £74k more than budgeted, including expenditure on student support (e.g. transport), IT, catering (broadly in line with income), trips, quality and inspection, departmental expenditure;
- Pay expenditure was under budget overall by more than £47k;
- Funding agency recurrent income, discretionary learner support funds and free meals funding were all in line with the financial plan, with capital grants released £3.5k higher than budgeted;
- With reference to the Balance Sheet, notable elements included a reduction in net pension liability per the actuarial year end valuation and a current year surplus of £303k which reflected the impact of the FRS102 pension adjustment outside of the management accounts.

It was noted, in response to members' questions, that there were no outstanding student fees from 2016/17.

It was noted in discussion of non-pay expenditure that expenditure on copying and postage was re-charged to departmental budgets although the College was reviewing the cost-effectiveness of the latter, given a proposed charge of £90 p.a. for use of the relevant software, which had previously been free.

[Confidential minute].

Members reviewed the financial performance indicators (PIs) and the 12 Month Rolling Cash Flow for the period from July 2017 to July 2018, noting with reference to the latter that the report noted that the bank balance was forecast to remain at an acceptable level for the next 12 months and the College would manage its cash flow without resorting to a working capital facility from the bank. It was noted that the forecast lower bank balance in Mar. 2018 was, as in previous years, as a result of the ESFA grant payment profile.

Members reviewed the capital expenditure report, noting that it showed that:

- £274k was originally planned to be spent in 2016/17;
- Additional funding of £55k devolved formula capital had increased the available spend to £329k;
- At the end of July 2017 the total reported Capital expenditure had been £345.6k;
- £35k of the 2016/17 devolved formula capital had been allocated to projects.

It was noted, in response to members' questions, that the external audit for the year ended 31 July 2017 was due to start on 16 Oct. 2017

The Committee received the management accounts for July 2017, noting an operating surplus of £437k compared with the budgeted surplus of £398k.

242.9 Report on capital planning 2017-18

The Committee noted that planned capital expenditure for 2017/18 was currently £170k lower than originally budgeted, mainly as a result of work not undertaken on a mezzanine floor in the library, although there had been additional expenditure on the installation of a coffee machine.

The Principal reported that the College had 2 additional capital projects for consideration i.e. provision of a catering pod to increase social space and the re-roofing of a mobile building. It was noted with reference to the 2 proposed projects, that the first was considered a priority (given the desirability of increasing student social space) and that consideration of expenditure on the second could be deferred, if necessary, until Easter 2018.

The Committee agreed that a report on capital expenditure in 2017/18 should be presented to the Nov. 2017 F&GP Committee meeting to allow expenditure on additional projects to be considered.

Action: DJ

Student residential & overseas visits

242.10 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention

The Principal reported that residential trips to Rome, Washington, Berlin, and the Amalfi coast were planned, with the possibility of a visit to Poland being considered.

The Committee congratulated the staff and students who had all successfully reached the summit on a recent trip to Mount Kilimanjaro.

The Committee received an update on planned trips and visits.

Strategic matters

242.11 Report on strategic matters, incl. property strategy & federation matters

(i) Performance review

The Principal reported that the College had begun the process of reviewing the previous year's academic performance earlier (e.g. with subject reviews starting in September and completed within 2 weeks), with a clearer action planning process.

(ii) Student enrolment

The Principal reported that the College was reviewing the 2017/18 student recruitment and enrolment process [*confidential minute*].

It was noted in discussion that enrolling Year 1 students onto Year 2 during the summer term had streamlined the process for new students enrolling at the start of the 2017/18 academic year. The Chair congratulated the College on what had appeared to be an efficient and well-organised enrolment process.

(ii) Venn4 federation

The Principal reported that he and the Chair and Vice-Chair of the Corporation had attended a Venn4 federation Governors & Principals' meeting on 22 Sept. 2017 at which a presentation had been received from Eversheds on the legal form the federation should take.

[*Confidential minute*].

(iii) Coventry University Scarborough HNC in Health and Social Care

The Principal reported that the above course would not run at the College in 2017/18 but that recruitment would begin shortly for 2018/19.

The Committee received a report from the Principal on strategic matters.

Committee matters

242.12 Review standing agenda items and terms of reference

The Committee completed its annual review of its standing agenda item list and terms of reference, agreeing that no change was required to the latter.

The Committee agreed to recommend to the Corporation minor updating changes to its standing agenda item list.

Action: Chair

Documents from outside bodies

242.13 Documents from the ESFA, SFCA, DfE, BIS & other outside bodies

The Committee received the following documents from outside bodies:

- Extracts from Sixth Form Colleges' association (SFCA) Updates 2 Aug. - 18 Sept. 2017;
- Updated ESFA guidance on intervention;
- ESFA guidance on safeguarding incident reporting;
- A link to Ofsted's updated FE & Skills Inspection Handbook (effective from 4 Sept. 2017);
- A briefing on the General Data Protection Regulations (expected to be in force from spring 2018);
- A Rollits and RSM presentation on the colleges' insolvency regime (June 2017).

Members noted:

- With reference to the new safeguarding clauses in the ESFA 2017/18 funding agreement with colleges, that the implications of these would also be considered by Corporation's Personnel Committee, which had responsibility for safeguarding

issues, at its Nov. 2017 meeting;

- With reference to Ofsted's updated FE & Skills Inspection, that any relevant changes would be reviewed by the Corporation's Curriculum & Quality Committee at its Oct. 2017 meeting and that a presentation on Ofsted preparations was also due to be given by Julie Peaks (Vice-Principal) at the Corporation meeting on 28 Sept. 2017;
- That the implications of the General Data Protection Regulations would be considered in more detail at the Audit Committee's Oct. 2017 meeting.

The Committee noted that the new insolvency regime for colleges introduced by the Technical and Further Education Act 2017 was expected to be in force from the 2018/19 financial year. Members considered the implications for corporation member liability of the introduction of the regime, noting that it did not appear to place on corporation members a higher duty than that already arising from their fiduciary duties as charity trustees, which included a duty to act with reasonable care and skill to safeguard the college's assets. The possibility that banks might be less willing to lend to colleges once the regime was in force was considered.

The Committee received the above documents, for information.

Items deferred to the next meeting

242.14 Annual report on compliance with tendering procedures

It was noted that the annual report on compliance with tendering procedures would be considered at the Committee's Nov. 2017 meeting.

Action: Clerk

Final matters

242.15 Any other business

The Chair, John Wilson, thanked Dave Johnson, Interim Director of Finance, for the work he had done for the Corporation to date.

242.16 Risk management – items identified at the meeting

It was noted that no new items of risk had been identified at the meeting.

242.17 Date of next meeting

It was noted that the date of the next meeting was Mon. 6 Nov. 2017 at 4.30pm.

Fiona Bagchi
Clerk to the Corporation