

**Minutes of the meeting of the
Policy & Resources Committee held on Thursday 29 November 2018, 4.00pm in the
Boardroom**

Present Evelyn Carpenter (Chair)
Stuart Fraser (Vice Chair)
Yvonne Kelly (Principal)
Andrew Brown
Forhad Altafi (Staff Member)

In attendance: Wijay Pitumpe (Chief Finance & Enterprise Officer)
Maxine Deslandes (Director of Finance and Estates)
Victoria Eastwood (Clerk to the Corporation)

1. Welcome and apologies for absence

The Chair opened the meeting and welcomed all in attendance. Forhad Altafi was welcomed to his first meeting of the Committee. Apologies for absence were received from Janet Curtis-Broni (Executive Director People, Organisation & Development).

2. Declarations of Interest

Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. The current Chair and Vice-Chair declared an interest in Agenda Item 5.

3. Minutes of the previous meeting – 18 June 2018

The Minutes of the previous meeting, held on Monday 18 March 2018, were agreed as a true and accurate record.

4. Matters Arising

An update on outstanding actions from the June 2018 Committee meeting was provided:

Agenda Item	Action	Responsibility	By (deadline)	Update
5.	Committee Self-Assessment be deferred to the beginning of the academic year.	Clerk	October 2018	Committee Self-Assessment to be undertaken at December Strategic Planning Event
7.	The top level leadership structure alongside names to be made available to the Committee.	Principal	ASAP	Included in HR Report
7.	Reference 7.6 be amended to read 'College trips.'	DOFE	ASAP	Complete
11.	The report on cladding be issued to the Committee when available.	CFEO	ASAP	To be included in the CFEO report
12.	The average staff turnover percentage for London be	EDPO	November 2018	Included in Report for November

	included in the next report.			Meeting.
13a	Wellbeing Policy to be included for review at November 2018 Committee Meeting.	DOFE	November 2018	The Health & Wellbeing Subgroup has been formed and relevant policies and procedures are now being developed as appropriate.

There were no further matters arising that were not addressed by the Agenda. The Chair recorded her thanks to the Executive Director – People & Organisation Development for the staffing structure contained in the HR Report.

5. Appointment of Chair and Vice-Chair

The Clerk advised that both the existing Chair and Vice-Chair had expressed a wish to continue in their respective roles for a further one year term. The Clerk stated that conversations had taken place prior to the meeting and there were no nominations from the remainder of the Committee. It was unanimously agreed that the current Chair and Vice-Chair be re-appointed for a further one year term.

Approved: That Evelyn Carpenter be appointed as Chair of the Policy & Resources Committee and Stuart Fraser be appointed as Vice-Chair of the Policy & Resources Committee, both for a further one year term.

6. Committee Schedule of Business 2018/19

The Clerk reported that the schedule of business provided the core committee business for the 2018/19 academic year, taking into consideration the remit of the Committee, funding requirements and the changing FE landscape. It was acknowledged that the schedule may be subject to amendment to reflect changing internal and external priorities.

Approved: The Committee Schedule of Business was approved for 2018/19.

7. Review of Committee Terms of Reference

The Clerk highlighted the proposed amendment to the Terms of Reference (item 2.2) regarding membership of the Staff Member on the Committee. This was agreed.

Approved: That the Committee Terms of Reference be approved for 2018/19, subject to the agreed amendment.

8. Draft Annual Report and Accounts y/e 31 July 2018

The Director of Finance & Estates (DoFE) reported the College's surplus for the financial year 2017/2018 was £0.442m including gift aid donations. The group surplus which included the College's subsidiary companies was £0.376m with a surplus having been made by Apprenticeship Works and Broadway.

The surplus on the College operating activities was £0.427m which was a £0.077m favourable variance against a target surplus of £0.350m. In addition, the College's remaining subsidiary companies had made a net deficit of £51k. The total group surplus for 2017/2018 was £0.376m.

The Vice-Chair asked the reasons for the surplus. The DoFE responded that risk had been managed well and the College had cut back on non-pay expenditure and a reduction in agency staffing.

The Chief Finance & Enterprise Officer (CFEO) clarified that the accounts were presented to this Committee for reference but would be presented at the Audit Committee for scrutiny and recommendation to the Corporation.

The Chair queried the use of gift aid donations. The DoFE advised that the surplus made from the two subsidiary companies could be gifted back to the parent company (BDC) as BDC was a charity.

The Chair referred to the line in paragraph 18 of the accounts - 'during the year the College took out no loans.' The DoFE confirmed that the College had not taken out any loans during the year concerned. The College had applied to Nationwide for revolving credit but that was not a loan.

The Vice-Chair asked for clarification on the College's financial position taking into account the numbers presented. The CFEO confirmed the College's financial position was still Outstanding.

The Chair referred to the equality statement within the accounts, noting that this was a good example of an equality statement as it was evident that it had not been a 'tick box' approach.

The Chair queried the increase/decrease in debtors. The DoFE stated that it was the change in money that was owed to the College from one year to the next. A lot of money had been owed from the Levy but the College had been unable to allocate it until this year once the ESFA had specified the students concerned.

The Chair asked whether the decrease in creditors (note 15) had a negative impact. The DoFE responded that the College could have owed more money at the end of the year but this would have been paid at the beginning of the following year and it was therefore a timing issue. It was confirmed that this had been checked and agreed by the Auditors.

In response to a query from the Vice-Chair, the CFEO advised that pension increases had been factored into the accounts.

Agreed: That the position be noted and the Corporation be aware that the Committee had received and discussed the accounts.

9. Update on FE Issues

The Committee were provided with a brief virtual tour of the 'D' Block refurbishment.

The CFEO provided an update on current FE issues focussing on:

- ESFA Changes
- Early Intervention and Prevention Strategy
- College Finances

The Committee were informed that the FE Commissioner's focus was now on prevention rather than intervention and as such the FE Commissioner had powers to intervene in Colleges at an earlier stage as there was an increase in Colleges experiencing financial difficulties. The CFEO added that the FE Insolvency Regime had been brought forward to February 2019. Members were assured that both the College's Internal and External Auditors were very thorough and unqualified opinions had been issued by both sets of Auditors in their end of year reports. The College was also subject to a Regularity Audit to ensure the correct use of public funds.

The Vice-Chair questioned how much knowledge sharing took place from other colleges. The Principal replied that both formal and informal sharing took place and there were many forums available for all different roles at senior level. The FE Commissioner published termly updates and an annual report and any notices to improve issued to colleges were made public.

Andrew Brown commented that it would be beneficial for any governance issues within the FE Commissioners reports to be highlighted for the Corporation. The Clerk advised that this would be addressed at the Strategic Planning Event. The Principal added that the self-assessment process also covered issues arising within the sector.

The CFEO explained to the Committee the early intervention triggers: satisfactory, weak satisfactory and provided clarification on the borrowing ratio.

The Committee were presented with the ESFA Financial Dashboard 2018 which was a very positive report for the College and highlighted that the forecasting outturn achieved each year had been better than forecasted.

The CFEO reported that AEB devolution was also an issue for the sector. The Principal advised that 15% of the budget was allocated in a tender process. Local London was taking the lead and the College was leading on the bid for Construction on behalf of Local London. The College would also subcontract for ESOL and Basic Skills.

The Principal reported that the College had submitted the second round application for the Institute of Technology (IoT) which was part of the industrial strategy to promote growth in levels four and five (also including levels three and six), mainly in STEM areas. The process was now down to fourteen applications and the College would be providing a presentation in February 2019 as part of the second stage.

The Vice-Chair asked what the IoT funding would be used for. The CFEO clarified that this would be used to kit out equipment in CAT and for other capital development projects.

Agreed: That the position be noted.

10. Partnerships Progress Report inc Supply Chain Fee Policy

The Principal reported that partnership allocation had been reduced to decrease risk and build capacity in-house. All partnerships were performing well and some had already exceeded expectations. The overall achievement rate for 2017-18 was 96%.

The Chair referred to Item 2.1.2 and asked for clarification on which partner had been issued with an action plan and was scheduled to receive a further observation. The Principal advised that she would investigate and provide a response after the meeting.

The Chair queried the 0% RAG rating for the contract allocation in Appendix B. The Principal advised that this was an error and she would clarify and report back to the Committee.

The Committee discussed the Supply Chain Fees and Charging Policy and the key points were highlighted. The Policy was unanimously approved.

It was agreed that the Committee could not approve the 2018/19 contract allocation until the relevant points had been clarified.

Agreed: That the 2017/18 partnership performance be noted.

Action: That the Principal provide clarity on item 2.1.2 and appendix B. Once the position had been clarified, the Committee would recommend to the Board at the December Meeting, the approval of the 2018/19 contract allocation.

Approved: That the Supply Chain Fees and Charging Policy be approved for future use.

11. Capital Development Update

The CFEO reported two Expressions of Interest had been submitted for the second round of the Skills for Londoners Capital Fund – one for 'D' Block and one match funded for IoT. The outcome was expected in December 2018.

The Committee were referred to the attached site plan and proposal with reference to the proposed purchasing of surplus land discussed at the previous Committee and also at the October Corporation Meeting.

The Chair urged that the College proceed with caution, advising that the Borough Council had in place a very coherent plan for educational needs within the Borough. The Principal stated that any progress made with the proposal was undertaken alongside involvement from the Borough.

The CFEO advised that the proposal would need to be linked to the College's property strategy. Through the CAT project and due to the increased reassurance required on borrowing, the title for the College site had been used as security against the loan. However, a letter of comfort had been negotiated with the Bank which would allow for capital receipts.

The Principal informed the Committee that the proposal was still at the exploratory stage, no costs had been incurred by the College as the company was currently undertaking all the work and there was no commitment by the College.

It was agreed that all options needed to be presented with a measured/risk based approach and further discussion alongside these options would take place at the December Corporation Meeting.

It was further agreed that the Principal would email the relevant contact at the Borough to address any current issues.

The CFEO reported that the CAT project was at Stage 4a of RIBA – technical design. All the relevant professionals of the design team had been appointed and project design was completed. Committee Members were reminded that the 'Pagabo' framework was accessed for the appointment of the main contractor and at present the College's lawyers were looking through the contracts of the two companies that had submitted tenders.

The CFEO advised that there had been issues with the roofing but these were not huge concerns and it was still intended to agree costs without use of contingency funds. Money had been saved on professional fees and other negotiated fees.

The CFEO informed the Committee that the borrowing transaction from Barclays (previously endorsed by the Corporation) was twofold as follows:

- Updating the current term loan
- Agreeing the revolving credit (would not be used if not required - the College had good cash reserves)

The CFEO referred to the attached loan documents, highlighting the conditions precedent, covenants for the loan and legal charge for security for the loan. These were presented to the Committee for information and would be presented to the Corporation at the December Meeting were they would be asked to approve two resolutions.

The Vice-Chair asked if there were currently any unknowns in the project. The CFEO confirmed that all surveys had been completed and contractors' liability was in place.

Agreed: That the current position be noted.

Action: All options for the proposed sale of land to be presented with a measured/risk based approach at the December Corporation Meeting.

The Principal to email the relevant contact at the Borough to address any current issues.

12. Management Accounts to end October 2018

The DoFE presented the accounts for the first three months of the academic year, advising that resources were being tightly managed. The College's cash position stood at £9.6m.

The Chair referred to item 2.17 and queried whether the College could benefit from the Council's investment strategy. The DoFE responded that the College previously used a number of Banks to invest in high interest rates but current rates were now too low. The College reserves were not large enough to attract bigger firms. The DoFE advised that she would look at the investment strategy on the Borough website.

The Chair commented that staff on long term sick had increased from five to ten. The Clerk advised that she would speak to the Executive Director – Operational Development to provide clarity on the increase.

The Vice-Chair asked if the operating surplus was a timing issue. The DoFE confirmed that it was and that awaiting confirmation for educational contracts had also had an impact. Numbers were still being finalised.

Action: The Clerk to speak to the Executive Director – Operational Development to provide clarity on the increase in long term sick.

Agreed: That the position be noted.

13. HR Termly Report inc Performance Management

The Chair asked if the College had a strategy to address the general growth towards increasing ages in the workforce. The Principal replied that the use of technology provided options and the College was looking to develop existing staff instead of replacing them. Different models were currently being explored.

The Vice-Chair commented that he felt there were no concerns in the report and that the Committee could be confident that actions were in place to address any underlying shortfall.

Agreed: That the current position be noted.

14. Anti-Fraud Policy Annual Review

The CFEO reported that the policy was reviewed annually and there had been no significant changes to the policy except changes to job titles of the responsible personnel at the College since the previous year.

The Chair referred to paragraph twenty and asked if the College had ever encountered any criminal acts of fraud. The CFEO replied that no incidents had been recorded and the College had rigorous processes and procedures in place to ensure it was protected.

Thanks were recorded to the Executive Team for their work to ensure the College was protected from incidents of fraud.

Agreed: That the Anti-Fraud Policy be approved for 2018/19.

15. Health & Safety Update

The DoFE advised that a fuller report would be presented to the Committee going forward now that a permanent Health and Safety and Sustainability Manager were in place. It was agreed that the Vice-Chair would meet the two managers in his role as Health and Safety Governor.

In response to a question from the Vice-Chair, the DoFE confirmed that the College had a defibrillator in place and was exploring getting more. It was also confirmed that no RIDDOR accidents had taken place.

The DoFE advised that the prevention of accidents was recorded as part of any investigation by the Health & Safety Manager.

The Chair recorded thanks to all staff that had volunteered to be First Aiders.

Action: The Vice-Chair to meet with the new Health & Safety and Sustainability Managers.

16. Any Other Business

There was no further business.

17. Date and time of next meeting – Monday 25 March 2019

The Chair thanked all those in attendance for their contributions and timely reports. The meeting concluded at 7.55pm.

Signed.....
Evelyn Carpenter (Chair)

**POLICY & RESOURCES COMMITTEE
ACTIONS**

Agenda Item	Action	Responsibility	By (deadline)	Update
10.	Clarification on which partner had been issued with an action plan and was scheduled to receive a further observation. (Item 2.1.2)	Principal	ASAP	Complete
10.	Principal to clarify the 0% RAG rating for the contract allocation in Appendix B.	Principal	ASAP	Complete
10.	Subject to clarification on Appendix B, the 2018/19 contract allocation to be approved at the December Corporation Meeting.	Principal/Clerk	11 December 2018	Complete – the allocation was approved by email and minuted at the February Corporation Meeting.
11.	Proposed sale of land options to be presented with a measured/risk based approach at the December Corporation Meeting.	CFEO	11 December 2018	The Agenda Item was discussed at the December Corporation Meeting and would be discussed in further detail alongside the Property Strategy at the April Strategic Planning Event.
12.	The Clerk to speak to the Executive Director – Operational Development to provide clarity on the increase in long term sick.	Clerk	ASAP	Complete
16.	The Committee Vice-Chair to meet with the new Health & Safety and Sustainability Managers.	Clerk	ASAP	Complete