

Minutes of the meeting of the Policy and Finance Committee held on **16 May 2019**.

Present: Clive Macdonald (Chair), John Edwards (up to and including P19/52), Neil James, Prof Tim Thornton (up to and including P19/59) and Kate Fleming.

In attendance: Lydia Ebdon (observer), The Vice Principal, the Head of Finance, the Head of Estates and Facilities and the Clerk to the Governors.

Apologies: Yultan Mellor (Principal).

The order of business at the meeting was amended to facilitate member attendance for key items.

P19/30 **DECLARATIONS OF INTEREST**

With respect to their roles as trustees Clive Macdonald and John Edwards declared a potential conflict of loyalty in items where they related to the Wentworth Castle and Stainborough Park Heritage Trust. It was agreed that discussion at the meeting was a verbal update regarding arrangements post closure of the trust and no decisions were being considered and this did not therefore pose any issues regarding conflict of interest.

P19/31 With respect to his role as Deputy Vice-Chancellor Prof Tim Thornton declared an interest in items which related to the College's HE provision delivered via the University of Huddersfield consortium. The committee considered the interest declared and agreed that it did not pose any issues regarding conflict of interest.

P19/32 **MINUTES OF THE LAST MEETING AND MATTERS ARISING**

The minutes of the meeting held on 7 February 2019 were approved as an accurate record (a signed copy is filed in the minute book).

P19/13 It was noted that discussions had been held with Sue Rolstone's and this had resulted in a decision to donate the remaining Rolstone Heathfield funds to support the College's Free Thinking Programme.

P19/33 **MEMBERSHIP MATTERS**

It was reported that a six-month sabbatical arrangement had been approved by the Board of Governors for Anne Shiels, which would be effective from 14 March 2019 to 26 September 2019.

P19/34 The chair welcomed Lydia Ebdon to her first meeting in the capacity of an observer. It was noted that the appointment of Lydia as an independent member of the committee would be considered by the Board of Governors at its meeting in July 2019.

P19/35 **INTEGRATED PERFORMANCE REPORT**

(A copy of document 5i is filed in the minute book.)

The committee considered the **Integrated Performance Report for 2018/19**, which included performance against KPIs to 30 April 2019 and financial management information to 30 March 2019. It was noted that:

Curriculum

- Achievement was holding up well in all areas and was ahead of last year in the Foundation Skills and Community Partnership directorates;
- Retention on the Access to HE diploma had recovered a little from the last report, due to a small number of students opting to take a break in study for health reasons;
- Overall retention on the Access to HE and Higher programmes appeared low, however this was in large part due to students who had withdrawn from longer courses which were still continuing and was therefore likely to improve once those courses had ended;
- Retention on the Higher Education courses remained high;

- Average class size had remained consistent with the previous report, however no-show rates had dropped in Foundation Skills and Access to HE and Higher, and overall by 1%, bringing them closer to the overall target;
- There were no major areas of concern in the participation rate data;
- Teaching hours were at an expected level for this point in the academic year.

Student Satisfaction

- There were no areas of concern regarding student feedback from the short course questionnaire.

HR and Estates

- Long-term absence within the teaching team had had a significant impact on the average absence days, percentage of time lost, and absence costs, however all members of teaching staff were now back at work;
- Gas and electricity consumption data was to the end of March 2019 as at the time of writing the April bills had not been received;
- The March figures showed an improvement from the last report in that the electricity consumption was coming back into line with the previous year, which was in part due to the very warm weather experienced in February.

Adult Education and Community Learning Income

- Both areas were forecast to hit target.

Finance

- External income was below profile in a number of areas. Major factors included the cancellation of the GLI (Global Labour Institute) International Summer School, a lack of success with a number of funding bids, and the lower than planned income achieved in support of the Free Thinking programme (25% of target).

P19/36

The committee:

- Explored the position with regards to sickness absence in detail, in particular:
 - The nature of the reported absences, noting that all were related to specific serious health conditions, and no absences were as a result of work related stress;
 - Comparison with issues in 2017/18, agreeing that the data did not suggest a repeat of any persistent issue(s) with the same staff group;
 - Any correlation with the teaching year, agreeing that the data did not suggest that this was the case;
 - The impact of the College's ageing staff profile, welcoming that this was being explicitly considered as part of the College's workforce strategy;
 - The impact on student experience and how quality had been maintained, noting that expenditure on staff cover gave an indication that this had been minimised;
 - The committee welcomed plans for the College to revisit its sessional tutor register to ensure a wider range of skills were available, should cover be required in future;
- Explored the actions that had led to the improved position in relation to no-show rates and class sizes, particularly welcoming the work done to further review admissions processes, and streamlining information flows and MIS processes. The committee agreed it would anticipate seeing further progress in the data and welcomed the increased understanding of the issues demonstrated;
- Agreed that it would be helpful to have more detailed narrative assurance provided in the cover sheet of the report in future.

P19/37

The committee considered **Management Accounts to 31 March 2019** and noted that:

- The financial position to date remained positive, with the forecast above target;
- It was estimated that the College would not draw down the full amount of its ALLF, equating to approximately £30K, as it had not been possible to deliver the planned ITQ3 due to sickness absence;
- As previously reported the College had been notified that the £75k qualification error in 2017/18 would not be clawed-back, equating to an additional £75k of income in 2018/19;

- The impact of lower than planned income from the Free Thinking Programme, an increase in catering, and significant legal fees in relation to the gardens and parklands;
- The debtor position appeared to be high, but were satisfied that this was a timing issue related to HE and anticipated that the position at year end would be a further improvement on that reported in 2017/18;
- Capital expenditure areas had been reviewed as a result of the costs for the estates strategy consultation being deferred to 2019/20, with some IT projects being brought forward.

P19/38

The committee:

- Explored any long term consequences resulting from failure to draw down the full ALLF, receiving assurance that there would be no impact on future allocation;
- Explored the vulnerability of some income streams to single points of dependency amongst teaching staff, and the recurrence of this as an issue across a number of years in different areas of the College. The committee challenged the College to seek solutions, and welcomed plans to implement staffing changes which would seek to mitigate future risks;
- Explored catering costs, noting that income was increased, which was contrary to trends across the sector, and noting that the contract continued to be closely monitored to avoid any repeat of forecasting issues previously reported.

P19/39

The committee considered the **ESFA Financial Health Dash Board** which provided the outcome of the review of the College's audited financial statements, finance record and assurance returns for the year ending 31 July 2018 by the ESFA. It was noted that the College's financial health grade for 2017/18 had been rated outstanding and no significant financial control concerns had been identified.

Resolved: **i That the report be noted.**

P19/40

INCOME GENERATION PROGRESS REPORT

(A copy of document 6i is filed in the minute book.)

The committee considered a progress report against the College income generation plan. The committee noted that:

- External bookings income was below target by £20K, largely due to cancellation of the annual Global Labour Institute (GLI) conference as previously reported;
- Additional fee income was slightly above target at £338K;
- Project income was significantly below target at £99K against a target of £188K, largely due to the inability to generate planned external income for the Free Thinking Programme.

P19/41

The committee considered the performance achieved to date in detail and specifically:

- Opportunities and areas for development in relation to external room hire, particularly in relation to branding and marketing;
- Whether the College was being ambitious enough in its project work or could be exploring opportunities for much larger scale projects with new partners, and what resources would be required to support this;
- Whether the College was appropriately positioned to access opportunities for mid-range funding pots where there was underspend elsewhere, and how the College created links with local priorities;
- Welcomed the inclusion of a new head of marketing and partnerships role in the College staffing structure and the inclusion of this area of activity in the role, and noted that there was a requirement for investment to support further growth.

P19/42

The committee welcomed the positive achievements and cultural changes being created, but challenged the College to review the plan further for the medium to long term, to include greater ambition, capitalising on and further growing success to date and maximising partnership opportunities, particularly with the National Trust.

P19/43

The committee requested that a further report be provided for the next meeting to include an outline of the College's strategic thinking in this area and planned developments and activities, and that a full report from the new Head of Marketing and Partnership be scheduled for Autumn 2019.

Resolved: i **That a further income generation report be presented at the next meeting, including an outline of the College's strategic thinking and planned developments and activities.**

 ii **That a full income generation report be scheduled for Autumn 2019.**

P19/44 FINANCIAL PLANNING 2019/20

(A copy of document 7i is filed in the minute book.)

The committee considered the **Draft Forecast Outturn for 2018/19 and 2-Year Financial Plan 2019-2021** noting the assumptions used, the College's funding allocation for 2019/20 and financial objectives. It was reported that the plan currently included the College projecting a draft forecast outturn surplus of (£149k) in 2018/19, (£112k) in 2019/20 and (£68k) in 2020/21; and that in order to achieve the agreed 2.5% target each year a surplus of £138k would be required in 2019/20 and £140k in 2020/21. It was noted that this was a first draft of the plan which would be further developed and re-presented at the next meeting, prior to submission by the Board of Governors at its meeting in July 2019.

P19/45 The committee agreed that they would not approve a plan which did not achieve the 2.5% surplus target in each year, unless there was a clear narrative which presented a strong case as to why this formed part of a transition period of an ambitious development plan. The committee agreed that the 2.5% surplus target was not high for the sector and should be maintained; the targets around HE growth and external income presented were conservative; and they were not looking for costs savings to be achieved.

P19/46 The committee received and noted the **Curriculum Plan for 2019/20**. It was reported that whilst a wide range of innovative ideas had been developed as part of the planning process these had not translated into a significantly changed plan for 2019/20, as implementation of the changes required a longer timeframe. It was noted that the College was working towards a 3% over-delivery as in previous years.

Resolved: i **That a further developed 2-Year Financial Plan for 2019-2021 be presented at the next meeting for consideration.**

 ii **That an accompanying strategic narrative be included when the final draft of the 2-Year Financial Plan for 2019-2021 is presented for approval at the Board meeting in July 2019.**

P19/47 CATERING CONTRACT REVIEW

(A copy of document 8i is filed in the minute book.)

The committee considered a report which outlined performance of the contracted out catering service to date and approved activation of the two-year extension option within the contract. It was noted that despite some forecasting issues in 2017/18, the contractors had increased income, quality was good, students rated the food highly in satisfaction surveys and the contractor's participation in learner voice activities was appropriate.

P19/48 The committee supported the intention to continue to monitor costs and on-going performance closely.

Resolved: i **That the Committee accept the +2-year contract extension commencing from August 2019 with Thomas Franks Ltd.**

 ii **That the decision be reported to the Board of Governors at its next meeting.**

P19/49 GARDENS AND PARKLANDS

(A copy of document 9i is filed in the minute book.)

The committee received a verbal update regarding progress with legal arrangements relating to the winding up of the Wentworth Castle and Stainborough Park Heritage Trust and the takeover of the park and gardens by the National Trust. It was reported that:

- The opening date for the gardens had been pushed back to early June 2019;
- A change in the legal team at one of the partners had created some delays and frustration in the final stages of agreement of the legal documents;
- A key meeting would be held on 17 May 2019 with the aim of finalising a range of aspects;
- Written permission from the Heritage Lottery Fund (HLF) and the Charity Commission remained outstanding.

P19/50 The committee sought and received assurance that:

- The College had maintained its position in relation to key areas such as the car park and bio-bubble;
- The arrangements posed no significant risks or worsening of the Colleges position;
- Any agreed changes to legal documentation were minor and did not require re-referral to the Board of Governors for approval.

P19/51 The committee also considered a report which estimated costs to the College in terms of time and resources to facilitate the transfer of the operation of the gardens and parkland from Wentworth Castle Trust to the National Trust. It was agreed that whilst the expenditure was substantial it should be considered within the overall context of opportunities and benefits over a 20 to 30 year period.

P19/52 The committee welcomed the progress being made, and supported the College to continue to protect its interests, whilst remaining collaborative and supportive.

Resolved: i That the report be noted.

P19/53 **INSURANCE ARRANGEMENTS**
(A copy of document 10i is filed in the minute book.)

The committee considered and approved a proposal to accept the +2-year contract extension commencing from the 1st August 2019 with Zurich Municipal Insurance. It was noted that this would enable the College to benefit from a premium discount offered, whilst ensuring a smooth transition on site from the Wentworth Castle Gardens Trust to the National Trust and maintaining compliance with OJEU regulations.

P19/54 The committee supported the proposal that the 2-year extension be utilised to obtain a revaluation of the College's building stock and to further test value for money by seeking fee quotes for the appointment of an independent Insurance Consultant prior to renewal in 2022.

Resolved: i That the +2-year contract extension commencing from the 1st August 2019 with Zurich Municipal Insurance be approved.

P19/55 **RISKS OVERSEEN BY THE COMMITTEE**
(A copy of document 10i is filed in the minute book.)

The committee considered the risks allocated to it for oversight and specifically whether they accurately reflected the risks faced by the College in relation to the remit of the Policy and Finance Committee, whether there were any developing areas which needed consideration, and whether the controls were appropriate and effective.

P19/56 It was agreed that the risks remained appropriate and the controls in place provided suitable assurance. It was noted that a number of the key risks had been explored throughout the meeting.

Resolved: i That the risk register be noted.

P19/57 **POLICIES FOR APPROVAL**
(A copy of document 12i is filed in the minute book.)

The committee considered and approved the revised Admissions Policy, challenging the College to ensure that the admissions criteria did not inadvertently discourage full costs learners.

P19/58 Consideration of the Flexible Working and DBS policies was deferred to the next meeting due to the meeting becoming inquorate.

P19/59 The committee supported the suggestion that the following policies be submitted to the chair of the committee for approval by chairs action, with formal ratification at the next meeting:

- Fees
- Access to HE Diploma Fees and Allowance Rates 2019/20
- Student Short Course Support Funds 2019/20
- Access to HE Diploma Student Support Funds 2019/20

P19/60 The committee approved the updating of job titles in all College policies to reflect the new structure to be introduced in August 2019.

- Resolved:**
- i **That the Admissions Policy be approved.**
 - ii **That the Fees, Access to HE Diploma Fees and Allowance Rates 2019/20, Student Short Course Support Funds 2019/20, Access to HE Diploma Student Support Funds 2019/20 be submitted to the chair of the committee for approval by chairs action, with formal ratification at the next meeting.**
 - iii **That the Flexible Working and DBS policies be deferred to the next meeting.**
 - iv **That the updating of role titles in all College policies to reflect the new structure be approved.**

P19/61 **CHRISTMAS CLOSURE DATES**

This item was deferred to the next meeting due to the meeting becoming inquorate.

P19/62 **DATE OF THE NEXT MEETING**

The next meeting of the Policy and Finance Committee will take place on **Thursday 20 June 2019** at **10.00am**.

Signed	
Position	Chair of Policy and Finance Committee
Date	