

Finance & General Purposes Committee Minutes

www.peterborough.ac.uk

Date	Thursday 3 October 2019
Time	4.30pm
Location	Boardroom
Present	Brian Redshaw (Chair), Nicola Shawe, Ian Jackson, Rod Allerton, Roy Bird (Staff Governor - observer) and Rachel Nicholls (Acting Principal)
In attendance	Peter Walker (Vice Principal, Corporate Services) Greg Hanrahan (Managing Director – Business Services) Joanne Ulyatt (Director of Governance)
Apologies	Michael Rabbett

Decisions taken at the F&GP meeting held on 3 October 2019

Ref	Decisions
F3/19 Para 3	Minutes of the meeting held on 27 June 2019 were agreed and signed.
F8/19 Para 19	The appointment of PW as Director of PSA was approved.
F13/19 Para 26	The Financial Regulations were approved subject to the agreed amendments.
F14/19 Para 28	The FGP Committee Terms of Reference were recommended to the Corporation Board for approval.

Actions arising from the F&GP meeting held on 3 October 2019

Ref	Actions
F10/19 Para 21	PW to send enrolment numbers report to FGP governors weekly on a Friday.

F1/19 Welcome and Apologies

1. Apologies were as noted.

F2/19 Declarations of Interest

2. Declarations of Interest were as noted on the agenda.

F3/19 Minutes of the previous meeting (27 June 2019)

3. Minutes of the meeting held on 27 June 2019 were **agreed** and signed.
 - RA noted his apologies were missing; corrected.

F4/19 Matters arising from minutes of previous meeting

4. A meeting has been scheduled on 28 October 2019 for PW to meet with Derek and JS to carry out forecasting of loan repayments.

5. JS is yet to get back to PW to clarify her notice period as she was waiting to meet with her line manager; it is believed to be 3 months and RN is meeting with JS and MR tomorrow so will discuss.
6. The audit report and actions were discussed fully at Audit Committee last week; an action plan is drafted and will be followed up. Further subsidiary work has been added to the audit plan for this term.

F5/19 Report on training undertaken and meetings attended inc. link governor updates

7. None reported.

F6/19 HR Update

8. Highlights of the report were presented. It was noted that staff numbers have decreased as at year end which is an expected trend but numbers will likely remain lower than they have been in the past due to redundancies and better staff utilisation. Sickness has increased but when the statistics were done the College was in line with benchmarking. In terms of percentage the increase is not even 1% and strategies to reduce sickness and turnover are ongoing. Teaching staff turnover is improving.
 - Governors asked whether an increase in sickness absence is partly attributable to the current issues in terms of College performance and stress; stress still accounts for a significant percentage but is not out of kilter with other organisations. CH did analyse all records of absence due to stress and the majority of those with high levels of absence for that reason have now left.
 - Governors noted that learners have access to a counsellor but asked if there is an equivalent post to support staff; there is Occupational Health, a counselling helpline, some members of staff trained in Mental Health First Aid, and number of online resources available. This is high on the agenda for the College and there is ongoing activity by a number of staff members which is now being pulled together into a coordinated strategy which will be promoted to staff.
9. The Staff Development Report was presented. Since writing the report, the L&D Lead in HR has resigned; the post will not be replaced due to merger and potential synergies. A hold has been put on HR personally delivering leadership and management training but all essentials of the post will be covered by creating a new role for an existing member of staff who is doing well. Consequently there will not be quite such a push on L&D this year.
10. This item and associated minute were deemed confidential due to reference to individuals.

F7/19 PRC Management Accounts

11. Accounts for the 12 months to July 2019 were presented as per the paper, reporting an outturn surplus of £91k although this is subject to receiving £35k for over-delivery on AEB which is not yet confirmed and is subject to affordability. The staff costs ratio was discussed; if UCP is brought into the group accounts it would sit at 64.3% but currently not being able to bring them in skews the data because PRC bears the whole of the staff costs of UCP but does not receive the whole of the income.
 - Governors asked which staff costs ratio is submitted to the FEC Team and this was confirmed as the group position; this is a strong positive message that this is now under control.

- Governors confirmed their understanding that the £91k surplus may reduce by £35k if the additional funding for the AEB overspend is not secured from ESFA.
 - Governors queried cash days including investments reported as budgeted at 90 against an actual of 72; at year end there were outstanding amounts owed of £383k for the final UCP project payment and £148K for other staff costs. Had these amounts been received the actual would have been improved.
 - Governors asked about the audited accounts for signature; the auditors are in College this week and next. Once the accounts have been through Audit Committee they will then be brought to FGP for recommendation to Board for signature in December.
12. Accounts for August 2019 were presented; the College does not normally prepare accounts for August, however the ESFA have now issued an edict to prepare monthly management accounts. PW noted there was nothing to comment on; where variances exist these are simply due to timing differences. A revised non pay budget was included with a schedule identifying how the £500k of targeted savings is being allocated; these savings have been agreed with budget holders and they can see their revised budgets on the system. The reductions were reported as tight but manageable; nobody is currently stating that it is not achievable.

F8/19 Subsidiary Company Reports

13. Group consolidated accounts were presented, noting that this is the first time that UCP, iMET and PSA are all on the spreadsheet.
14. PRCV reported a disappointing year but there is hope of improved performance for 2019/20. A provision was made for money still owed by UTC; GH noted he is fairly confident it will be received and confirmed that the accounts could be adjusted if it is. Performance is being regularly reviewed including monthly meetings with PRCV and Finance colleagues. Cashflow is an issue for this business in the way it operates currently; something would need to change in its operations to avoid requesting further loans from PRC. There are two real issues, firstly the profitability of the business, and secondly the non-payment of invoices from iMET who have not yet paid anything towards the costs since day one. Whilst debts mount up and are not paid it creates a need for loans to meet obligations. The issue with iMET is believed to be close to being resolved which will improve the cashflow position of PRCV.
- Governors noted that having staff for iMET on PRCV books muddies the waters and causes problems, but that internal competitiveness between The Pantry and Ventures must be resolved. From looking at the numbers and conversations it appears there is an internal competition that is not necessary since they were set up for different purposes; this has been worked on and has gone some way to resolving some of those issues. Whilst there are still some issues to unpick and address, there is now an expanded offer including a new deli bar and a system in place for analysing numbers more closely. Governors feel that an outsource option may need to be considered; this is being looked at as part of the merger workstream activity. It was noted that the cost of food has rocketed over the past 2 or 3 years and new minimum wage requirements have impacted.
15. UCP update provided.
- Governors asked if similar issues with the accommodation provider are expected this year; the circumstances of the issue were explained, noting that the number of blocks UCP is committed to filling has been reduced this year and these have

now been filled or almost filled already. There is a need to maintain some accommodation but the risk if they are not occupied is acknowledged and it is not expected to be an issue this academic year.

16. An update on the ending of the JV with ARU and the tender process for the UoPP was provided.
17. A positive report for APT this year. The Committee urges the APT Board to consider performance related pay targets at the next APT Board meeting; if the business continues to grow then the package is out of kilter with rest of the College. There will need to be consultation to change targets. It was noted that much of the increase generated in the 2018/19 academic year resulted from changes to funding rates between standards and frameworks. Both targets and percentage need to be reviewed.
18. PSA; a meeting is being set up between PSA Directors and RN/PW/GH and a proposal was made for PW to pick up Director responsibility on behalf of PRC. It was felt that an accountant on their Board would be useful and the College should now be starting to see a return on the time invested in it.
19. The Committee **approved** the appointment of PW as Director of PSA.

F9/19 iMET Update

20. This item and associated minutes 21-22 were deemed confidential due to commercial sensitivity.

F10/19 16-18 Student Recruitment Update

21. Only students retained six weeks into term are eligible for funding. Recruitment activity has now finished but withdrawals can be experienced at this stage. At the date of report, 25 September, the College had recruited 2841 potentially funded learners against an internal target of 2864 so were slightly behind. The actual allocation this year is 2780. Funding is paid in arrears so the number of students enrolled and retained this year will determine the funding for next year. Nothing can now impact on funding for this year. A Steps to Success Strategy is in place to ensure the right learners on the right courses and clear signposting to other more suitable courses rather than withdrawal. RNs gut feeling is that it will be tight to achieve the 2780. Numbers are monitored on a daily basis and all possible strategies are in place. *Governors requested that a weekly report on numbers be sent to them every Friday; PW to action.*

F11/19 Apprenticeship and AEB Update

22. Update provided as per paper, noting some challenges around delivery meaning some planned end dates have been moved from 18/19 to 19/20.
23. AEB overachieved in terms of subcontracting; the College is waiting to hear if an additional £35k will be funded by ESFA which will depend on whether they receive underspend back from other providers.

F12/19 Estates Update Report

24. Update provided as per paper.
 - *Governors commented that the refurbished areas look excellent and have transformed areas of the college. The Estates Team are to be thanked on behalf of the governors.*
 - *Governors also noted a good and positive H&S report. The reduction in use of paper was noted; the increased use of Google applications is helping with that.*

F13/19 Review of Financial Regulations & Procedures

25. The Financial Regulations were reviewed and some amendments requested.
- Section 2 2.1 notes a schedule of amendments being given after the index but this is not included; to be added.
 - Section 3 1.4.2 – the VPCS role should also reference oversight responsibility for subsidiary companies which it does not currently.
 - Section 3 1.3.2.2 under committee responsibilities references capital expenditure under C&Q rather than FGP, plus there is a duplication in C&Q headings which need to be combined.
 - Section 7 3.15 notes the procurement threshold of £50k – it was raised that the committee used to receive an annual report for rolling replacement but do not recall seeing this for some time; *PW will double check* but advised this was likely due to the use of a preferred suppliers list or it could be that the College have appointed for 3 years so would not then tender again in that period.
 - Section 7 clause 6 regarding EU regulations was discussed in terms of Brexit and the potential implications; it is believed that these regulations will remain for 4 years anyway.
 - Job titles to be checked throughout the document, for example Sections 14 and 15 reference a Director of Technical Services role which does not exist.
26. The Committee **approved** the Financial Regulations and Procedures, subject to changes agreed.

F14/19 Review of Committee Terms of Reference

27. Reviewed and updated to include addition of HR responsibilities that have been moved to FGP from C&Q, the agreed reduction in number of meetings from five per annum to four to reflect the merging of two meetings in June into one, and changes in personnel.
28. The Committee **agreed** the Committee Terms of Reference and **recommend** to the Corporation Board for approval.

F15/19 Date of Next Meeting: Thursday 28 November 2019

29. There being no other business the meeting closed at 6:10pm.