

CORPORATION BOARD of RICHMOND UPON THAMES COLLEGE
Minutes of Finance and Resources Committee Meeting
21 October 2015 at 6pm

Members Present: Peter Llewellyn (Chair), Cathy Bird, Robin Ghurbhurun, Daniel Volovsek,

In attendance: Clare Thornes (Clerk), Nanda Ratnavel, Alison de Lord

A	PROCEDURAL / SFA Presentation
1	<p>Welcome and Apologies for Absence</p> <p>The Chair welcomed all participants to the meeting. Apologies were received and accepted from Gergana Duff.</p>
2	<p>Presentation by the SFA (Steve Bagley and Rhys Thomas)</p> <p>A presentation was made by the SFA’s Provider Management and Intervention Team. The Team has been set up due to the increased financial risk that the sector is facing. Its remit covers 16 colleges in West London and they are examining colleges’ financial plans (in particular what assumptions are made) and looking at Ofsted outcomes. There are four triggers for an SFA intervention; Inadequate financial health, inadequate financial management/controls, ‘Inadequate’ Ofsted rating and minimum standards.</p> <p>In the case of a formal intervention the SFA would work to produce an action plan. Progress would then be monitored via KPIs, and through monthly case conferences. Where intervention was prompted by inadequate academic performance the SFA would work in conjunction with the FE Commissioner.</p> <p>The SFA were under pressure from the National Audit Office to take a more pro-active role in managing the FE Sector. They were involved with the Area Review process, and are talking to Colleges showing signs of difficulty, to offer help before formal intervention becomes necessary. The SFA recognises that change takes time; formal intervention might be postponed where a college has a new leadership team and a governing body that is clearly appraised of and tackling the issues.</p> <p>The SFA representatives left at 7.45pm</p>
3	<p>Declarations of Interest in Agenda Items</p> <p>None.</p>
4.	<p>Approve Minutes of the Finance and Resources Committee Meeting held on 24 June 2015</p> <ul style="list-style-type: none"> i. The Minutes were agreed to be an accurate record and approved, save for a correction to the date of the meeting. ii. There were no matters arising. iii. The Chair requested that the resubmission of the Financial Plan to the SFA on 30th September

	2015 be formally minuted, noting that the Plan revision and resubmission had been unanimously agreed by all committee members via email.
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B	FOR DISCUSSION / APPROVAL
5	<p>Monitor College Key Performance Indicators</p> <p>The 2014/15 and 2015/16 KPIs were reviewed. It was noted that the 2015/16 Allocations and Finance KPIs have been updated to reflect the position following resubmission of the Financial Plan.</p> <p>The number of students has dropped from the stated figure of 2,604 to 2,480, largely due to the stringency of entry requirements being imposed. For 2015/16, there are more learners on full programmes of study, which should bring them up to the funding threshold of 540 guided learning hours. The Deputy Principal cautioned that it can be hard to reach the 540 hour threshold where vocational learners are concerned, but the Principal noted that the extra effort to provide additional guided activities would be made to preserve the funding.</p> <p>The first Student Survey of the year, covering induction, is currently live.</p> <p>Members commended the Finance Team on the reduced size of the deficit compared to budget by some £141K, though it was acknowledged that the 2014-15 figures were not yet final.</p>
6	<p>Finances</p> <p>i. <u>Finance Report to 30 September 2015</u></p> <p>NR ran through the Finance Report, which Members had already read.</p> <ul style="list-style-type: none"> • The depreciation position will change significantly once demolition starts. • The planned year-end overdraft could potentially tip a 'satisfactory' financial rating by the SFA back into 'inadequate' as, with other measures being marginal, borrowing needs to be zero at year-end. • Staff vacancies have led to underspend. This may be ongoing in view of lower student numbers. <p>Members thanked the Finance Team for the improvement in the accuracy, timeliness and content of the Report.</p> <p>ii. <u>Review of College's Financial Objectives for use in 2015/16</u></p> <p>The paper was circulated in advance, and there were no questions.</p> <p>iii. <u>Update on College Bank Temporary Overdraft Facility</u></p> <p>NatWest have attached some conditions to the grant of the OD facility; confirmation from the auditors that the college is a 'going concern', and receipt of the 2016-2020 Strategic Plan and 2014/15 Management Accounts, but NR did not anticipate any difficulty renewing the facility.</p>

7	<p>Human Resources</p> <p>i. <u>Human Resources Development Plan 2015/16</u></p> <p>AdL set out the six areas covered by the 2015/16 HR Development Objectives. Broadly, these are: enough staff, right skills, support for management, talent development and management, appropriate compensation, surveys and statistics.</p> <p>Since AdL took up post in July, policies have been reissued, with a particular focus on those relating to performance management (disciplinary and capability). Training has been provided to curriculum leaders and curriculum managers on day-to-day performance management.</p> <p><i>Q: Has the quality of this years' SMART objective setting shown improvement?</i> HR have carried out a sample audit of T&L targets and the targets need to be more demanding. Help is being given to managers to achieve this.</p> <p><i>Q: How can the Corporation measure whether the performance management process is having an impact?</i> The Principal said that this question is being addressed as part of Governor Ofsted preparation. It was acknowledged that the College-wide impact of performance management will be gradual, but CB wanted to be able to identify some success stories as soon as possible.</p> <p>The staff governor suggested that there are two measures of impact; firstly student satisfaction (to be assessed from various sources, including surveys, and 'Happy Sheets') and secondly, results. A major factor in the improvement of T&L is the selection of appropriate CPD, which is the responsibility of curriculum managers.</p> <p><i>Q: Unlike in previous years, the HR Development Plan does not refer to the relationship between RuTC/HR and unions. How is this progressing?</i> Building the relationship with the unions is a core operational duty rather than an objective. The relationships with UCU and Unison are progressing well and recent discussions e.g. over annualised hours have been fruitful. Members described times in the last few years when the relationship with unions was difficult; the impact on the College was very negative. It was agreed that should the relationship deteriorate again, the Risk Register rating would need to be elevated.</p> <p>ii <u>Update on Pay Awards</u> The unions have been told there will be no pay award this year. Next year, the ability to give an award will be dependent on the state of college finances. A 1% award has been included in the budget.</p>
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C	FOR INFORMATION	
8	<p>Finances – For Information</p> <p>i. <u>Capital Budget Monitoring Report to 30 September 2015</u> This was included in the Finance Report to 30 September – item 6i.</p> <p>ii. <u>Report on Revenue Outturn position 2014/15; and</u></p> <p>iii. <u>Treasury Management Annual Report 2014/2015</u></p>	

	<p>Members had studied the reports in advance and there were no questions.</p> <p>iv. <u>Reports on contract approvals and overseas travel</u> NR noted that he would be exercising his approval rights [between £50- £150K] in respect of College decanting and redevelopment costs, and IT developments (in particular the student records system)</p>	
9	<p>Human Resources</p> <p>i. <u>Update on CPD</u> Members had read the update paper on CPD. The staff governor noted that it is very motivating for staff to be able to develop their skills. Members requested copies of the CPD directory for distribution amongst governors. Action: AdL</p> <p>i. <u>Workforce Composition Report</u> Members thanked AdL for the clear and informative report, which will be cascaded to other governors.</p> <p><i>Q: How are staff members who received 'below expectations' appraisals being dealt with?</i> A: They are put onto 'informal capability', which involves four weeks of very specific targets. If there is significant improvement, they are taken off. If improvement is limited, the review period can be extended for two weeks, <i>but no longer</i>. If there is no improvement, formal capability procedures will be started. The informal capability process is carried out by the curriculum manager, supported by HR.</p> <p>It was noted that Staff turnover is higher than the sector average. Given the reduction in students and staff cut-backs this is not surprising. The hope is that this will reduce substantially as RuTC becomes an employer of choice as outlined in the Strategic Plan.</p> <p>The Committee expressed pleasure that the London Living Wage is being adopted early for RuTC permanent staff. AdL explained that the intention is to cover all Staff whatever their contract, in due course, but some agencies will need to be persuaded. Given the finances it will take time.</p> <p><i>Q: Is the age profile of the staff a concern? (in particular, a possible exodus of retirement aged teachers)</i> A: No. Although some areas of teaching recruitment are challenging, for example, construction, the key to managing bulges in the age profile is to have good succession planning. The Composition Report confirms that the majority of the new recruits were younger.</p>	
10	<p>Health and Safety</p> <p>The report was received. The H&S record is much improved in recent years, particularly in relation to reportable incidents.</p>	
11	<p>IT</p> <p>As set out in the report, two major projects have run into problems; single sign-on infrastructure and the consolidation of student and administrative domains. NR confirmed</p>	

	<p>that these delays are now in hand, with structured programmes in place, to reach completion by next Spring. MIS Live is up and running for staff. There is still a body of work to do on the student records system. Triangulation and data cleansing are required to ensure that reports are robust and cannot be challenged for accuracy.</p> <p>Due to potential problems with Data Protection NR will check the geographical location of RuTC's Cloud servers Action: NR</p> <p>A new director of IT will start in February 2016.</p>	
12	<p>Assessment of the role of the F&R Committee and review Terms of Reference</p> <p>The report was noted. The staff and Committee members were asked if they were given sufficient opportunity to report, question and explain within the meetings: there were no complaints.</p> <p>Each Corporation committee will need to take on oversight of relevant aspects of the new Strategic Plan. Committee Terms of Reference need to be amended to better reflect the strategic priorities of the Plan.</p> <p>Action: CT to review committee TORS and amend to reflect Strategic Plan</p>	

D	OTHER	
9	<p>Any other business</p> <p>None.</p>	
10	<p>Future Finance and Resources Committee Meetings</p> <p>Wednesday 25 November 2015 (Joint with Audit) Wednesday 16 March 2016 Wednesday 22 June 2016</p> <p>The meeting closed at 7.55pm.</p>	

SIGNED: **Date:**

Actions

Ref	Agenda Item	Task	Responsible
A	9i	Distribute copies of the CPD Prospectus	AdL

B	11	Check where the RuTC servers are located	NR
C	12	Review committee TORs and amend to reflect Strategic Plan	CT