

**MINUTES OF A MEETING OF THE FINANCE AND GENERAL PURPOSE COMMITTEE
OF CITY COLLEGE PLYMOUTH HELD ON 24 APRIL 2019
COMMENCING AT 1730**

Present: Martyn Starnes (Chair)
Penny Wycherley (Principal) via telephone
Mike Jones
Emma Tringham

In Attendance: Lorraine Hill, Chief Finance Officer (CFO)
Sandra Wilson, Head of Finance
Liz Wiltshire-Meads, Clerk

F/19/14 Apologies for Absence and Declarations

Apologies were received from Alain Kakuru, Student Governor .

F/19/15 Minutes of the Finance Committee held on 6 February 2019

The minutes of the meeting held on 6 February 2019 were agreed as accurate and approve for the Chair to sign.

F/19/16 Matters Arising

There were no matters arising.

F/19/17 Confidential Items

Resolved: That the Kings Road Valuation Report should be dealt with In Commercial Confidence.

Resolved: That the Staff Item should be dealt with as Part II and as such for the Staff Governor to not take part in the discussion or decision.

F/19/18 Corporate Performance Report to March 2019

The CFO outlined the key points including the operating surplus forecast at £507k, which did not include the sale of Goschen. There remained pressure on cost lines which were being managed, including the impact of the workforce reform. The financial health score had gone down from 150 to 140 but was very much borderline, and remained satisfactory which was forecast for the year end.

Variable hours contracts were a risk and would be looked at for the next financial year to accrue or pay as costs were incurred, rather than have the year end risk.

Following questions from the Committee and further discussion is was noted that:

- a. the increase in costs related to increased numbers and the need for an increase in equipment eg plumbing, and also in exam fees;
- b. some budget had been released and prioritised for maintenance. Budget setting would be revisited and reviewed to implement and rolling programme for maintenance;

- c. there was a considerable increase in pension contributions which was statutory and not within the control of the College but created a material impact. Pension contributions would be modelled;
- d. the overdraft had dropped back to £1m, with a detailed weekly profile provided to the bank. The College was only charged for what was used;
- e. a variance in the establishment and fitting costs was due to the figures relating to the Group accounts and the difference between the operating budget and management accounts;
- f. this item was deemed In Commercial Confidence and is subject to a separate confidential Minute.

Resolved: To note the update.

The Committee agree to take the Risk item before the Budget Assumptions discussion

F/19/19 Risk Register and Management

The Principal updated the Committee on the top risks around the over-achievement of learner numbers/allocations including the need to staff the potential increase in numbers effectively which would have to be paid for ahead of funding which would not be received until March 2020. The College had asked the ESFA for a letter of comfort, this was needed for the bank for any additional overdraft facility next year. There was also the issue of management capacity in Care. There was a moderate chance of securing the letter of comfort from the ESFA taking into account that the Plymouth demographic went against the national dip, plus the deprivation in Plymouth and the issues of attainment in the local secondary schools.

The Principal noted that a new column had been added to show the date of the last review for each risk, and two new risks had also been added. The register would be reviewed again as some risks overlapped and could be merged.

Resolved: To note the update.

F/19/20 Draft Budget 2019/20 Assumptions

The Head of Finance introduced the report and table included which were the latest EFSA model template. The Committee was asked to consider the main assumptions on which the budget would be forecast.

Following questions by Committee members and further discussion it was noted that:

- a. the main assumptions in terms of income were agreed. There were risks around Brexit and potential impact on international numbers and european contracts;
- b. staff costs assumptions were agreed including a pay award at 1% in line with the Association of Colleges (AoC) recommendation, and the removal of 50% redundancy provision back to the normal level at £240k;
- c. non pay assumptions included new fees: Office for Student (OfS) which could be £50k or more; and JISC for wi-fi and broadband;

- d. a capital programme had been included at £400k. This had been held back in year with only grant funded spend approved;
- e. the estate needed much improvement and urgent things would need to be done. Any spend over £1,000 was capitalised;
- f. there was not enough space for performing arts for both HE and 16-19. A church hall was hired for current numbers at £5,000 per year. Theatre space would be an issue in the next year with an expected rise in student numbers;
- g. the Institute of Technology (IOT) bid had not been included in the assumptions, but could contribute up to £2m for equipment;
- h. the pay rise decision was for the Board taking into account the budget and forecasts.

Resolved: To approve the Budget Assumptions for 2019/20.

F/19/21

Fees Policy

The Head of Finance introduced the policy and proposed amendments. These included: Schools Partnership and Jump Start; exam fees; and sanctions for non payment.

Resolved: To approve the Fees Policy for 2019/20.

F/19/22

Goschen Update - In Commercial Confidence

This item was deemed In Commercial Confidence and is subject to a separate confidential Minute.

F/19/23

Valuation Report: Kings Road

This item was deemed In Commercial Confidence and is subject to a separate confidential Minute..

F/19/24

Gender Pay Gap Report Summary

The Chief Finance Officer noted that this was a statutory report which was submitted at the end of March 2019. The College had a mean gender pay gap of 11.46% which was lower than the education benchmark of 17.30% and national benchmark of 17.10%. The College had a higher ratio of female to male employees at 60:40. For the lower paid role the College would look at recruitment processes and start a talent management process.

Resolved: To note the report.

F/19/25

Living Wage Increase

The Chief Finance Officer noted that the Living Wage had been applied to payscales. This caused grade erosion with a number of grades paid the same. The College wanted to keep the grades but maintain the differential which was a challenge.

Resolved: To note the report.

Mike Jones, Staff Governor, left the meeting,

F/19/25

PART II: Pay Award

This item was deemed In Commercial Confidence and is subject to a separate confidential Minute.

F/19/26 Any Other Business

The Institute of Technology Board had agreed a change in the capital bid element for equipment to go into Oceansgate, rather than the Shed, with a rental of £50k per year which would be offset by the closure of the lease on Picquet Barracks. There would be a presentation to the next Corporation meeting in June.

F/19/27 Date of Next Meeting

The next meeting would take place on Monday 17 June 2019 at 4.30pm.

The meeting closed at 6.45pm.

SIGNED _____ **DATE** _____