



MINUTES OF A MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON WEDNESDAY 6 MARCH 2019

Present

Pete Adams	Governor
Angela Briggs	Governor
Ruth Brook	Governor
Louise Sharp	Governor
Anne Tyrrell	Governor

The quorum for the meeting was three Members.

In attendance

Peter Doherty	Chief Operating Officer
Kathryn Brentnall	Acting Principal, Doncaster College
Mick Lochran	Principal, North Lindsey College
Claire Houlden	Executive / Governance PA (minutes)
Helen Ainsbury	Interim Director of Digital Technologies (Items 1-3 only)

The meeting was held in the Boardroom, Doncaster College and commenced at 5.30 pm.

Claire Houlden was designated Clerk for the duration of this meeting.

Item	Minute	Action
-------------	---------------	---------------

1 Apologies

Apologies for absence had been received from Abid Khan, Paul Pascoe, Mark Swales and Jo Garrison.

2 Declarations of Interest

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

L Sharp and C Houlden declared an interest in item 11, Staff Pay Award.

3 Digital Technologies

a) Pro Suite Implementation

H Ainsbury provided the background for the ProSuite implementation. The new system went live in July 2018 and issues were quickly identified. Certain functions were not in place. A Stakeholder Group was set up to meet weekly and decide the most appropriate process to use. The Group was very reactive but is now able to plan months ahead including for August enrolment and timetabling for 2019/20. Remedial problems had impacted on reporting as a backlog of unmarked registers and other reports had to be uploaded to the system. Reports and quality of information were currently very good in most circumstances. More sophisticated reporting systems were being investigated with the first phase going live at Easter.

Individual parts of the Pro Suite system including Pro Solution, Pro Monitor, and Pro Portal were all in operation and others were to go live throughout the year. The organisation was currently reaping the benefits of the diverse and comprehensive suite of tools but it would take a number of years to fully bed in.

Item	Minute	Action
	<p>The Stakeholder Group would continue to meet less frequently and with a changed membership to reflect current requirements.</p> <p>From a user's perspective, M Lochran confirmed the system was still developing and had not yet reached the point prior to the migration. Some staff had been using spreadsheets as they had lost confidence in the system and the information contained on those now had to be married to that on the reporting system. It would be September before there would be total confidence in the system.</p> <p>H Ainsbury confirmed lessons had been learned; the biggest mistake was not agreeing the process going forward before migration. She would produce a Gantt chart to show progress on the various parts of Pro Suite.</p> <p>Training for Pro Solution had been undertaken by a member of staff. For Pro Monitor, a member of the original developers had been appointed to the College and would train curriculum staff. Leads had been identified for when the new systems were to be implemented.</p>	
	<p>b) Autumn Term Update</p> <p>The two separate teams were now working as one Digital Technologies Team and were working towards unified models. Various projects were under development such as replacement of the intranet and a joint email solution. The DNCG website was live and the North Lindsey one had been updated; Doncaster College website was to be reviewed. It is thought the size of the team was adequate.</p> <p>H Ainsbury left the meeting.</p>	
4	<p>Minutes of a meeting of the Finance and Resources Committee held on 14 November 2018 and any matters arising</p> <p>The minutes of the meeting held on 14 November 2018 were agreed as a true and correct record and signed by the Chair.</p> <p>There were no matters arising.</p> <p><u>Item 10</u>: M Lochran reported that the Institute of Technology was moving ahead and the Group would hear by the end of the month/early April if the bid had been successful.</p>	
5	<p>Performance Monitoring</p> <p>M Lochran provided an update on the current performance figures including:</p> <ul style="list-style-type: none"> • Earned income from apprenticeships would exceed target however higher than anticipated 16-18 employer incentive payments would have a negative impact leaving the College £225,000 below budget; employer fees of £78,880 reduces this to £146,120. • Levy income was nearly £4m; non-levy 16-19 above allocation; adults £200K below; • There is uncertainty over whether over performance on allocation would be funded; it is thought there will be a caveat around being open to audit. • ESFA have stated there will be no growth available on non-levy apprenticeships in 2019/20; the College would have to increase income from levy paying companies in order to grow; • A report by National Audit Office has indicated the Government was looking to cap apprenticeship levy payers which would be a risk for the College. Non-levy pay would be capped next year with no claw-back. 	

H/VPD

Item	Minute	Action
	<ul style="list-style-type: none"> For the Adult Education Budget, both Colleges expect to hit their target. Additional subcontracting with an existing provider could increase the allocation by £135k and the Committee was asked to approve this additional subcontracting. The devolved AEB budget will be removed from the College's allocation although it could continue to bid for this work. This could mean a reduction of £2-300k in 2019-20. DNCG had been allocated £100k by the Greater London devolved authority and if this were delivered, it would reduce the shortfall. Advanced Learner Loans would be £325k below allocation. A national review was taking place this month on student loans with a possibility of fees being reduced from 2020-21; this would create a risk for the College. A decrease in 16-18 student numbers would equate to a funding reduction of £860k in 2019-20. The £200k reduction in disadvantaged allocation was being challenged. 	

There was discussion around the impact of 6th form provision in both areas including the aggressive marketing of A Levels in North Lincolnshire and the new schools and colleges opening in Doncaster.

M Lochran confirmed he would produce a brief summary of the different adult education income streams and apprenticeship contracts for the June meeting.

ML

RESOLUTION: Members agreed the recommendation to fund an additional £135k of subcontracting of adult funding with an existing provider.

6 FE Sector Finance and Funding Update

P Doherty introduced the recent update on finance and funding from the ESFA; several points had been covered in the previous item.

ESFA had started requesting information on college estates which could lead to capital funding for properties.

There will be an increase in employer contributions to the Teachers' Pension Scheme from September 2019 – from 16.48% to 23.48%, an annual increase of £800k for DNCG. The Government has said it would cover the costs for 2019/20 although only until July 2020. The extra cost from 2020/21 would be included in the new financial plan.

7 Management Accounts to 31 January 2019

P Doherty reported on the latest management accounts including the following points:

- Total income was up by £128k against budget mainly due to increase in tuition fees however there had been a shortfall in other funding grants;
- Total expenditure was showing an adverse variance of £427k mainly due to subcontracting costs being higher than budget. There was an intention to move away from subcontracting to in-house provision of services.
- The continuing costs of the High Melton site also impacted on budget.
- There will be a focus on more robust profiling with budget holders.
- Surplus was currently almost £300k below profile and it will be difficult to achieve the £1.4m budget surplus.
- Current prediction for apprenticeships was £150k down but this could change.
- Total net assets were currently £31m due to the improved pension liabilities situation.
- Cash at bank was £5.1m.
- The current figures just achieved an outstanding financial health grading at end of

Item	Minute	Action
	January; the Committee Chair acknowledged this achievement.	
8	Financial Regulations	
	P Doherty explained the Financial Regulations were recently reviewed. There were no major changes. An updated scheme of delegation had been included which was informed by the implementation of the new finance system.	
	The Financial Regulations did not go to Audit & Risk Committee and would be available for reference by Auditors.	
	RESOLUTION: Members approved the Financial Regulations.	
9	Supply Chain Management Policy	
	P Doherty reported that the policy had been amended following the merger and subcontracting audit at Doncaster. The audit was positive and the revised policy completed the actions. Monitoring arrangements were in place to guard against sub-subcontracting and there had been no issues identified.	
	The completion of the audit actions had been recorded on the recommendations register to be considered at Audit & Risk Committee	
	Contracts were monitored through two quality review audits each year.	
	RESOLUTION: Members approved the Supply Chain Management Policy.	
10	Memorandum of Understanding – Club Doncaster Sports College	
	P Doherty stated that DN Colleges Group were looking to form a partnership with Club Doncaster. It was noted their current provision was at Selby College not Grimsby as stated in the report.	
	The partnership would be for both FE and HE students and provide access to high quality sports facilities at the Keepmoat Stadium and links to a professional sports club. Due to the lagged funding there would be a cost to Doncaster College for the first year of the partnership. Arrangements would be made for non-Sports students to use the facilities.	
	RESOLUTION: Members gave approval to the Memorandum of Understanding with Club Doncaster Sports College.	
11	Staff Pay Award 2018/19	
	P Doherty said this report was for the Committee to consider and recommend to the Board. The AoC's recommended pay award for 2018/19 was 1% or £250 whichever was the higher. An increase of 1% had been provided for in this year's budget from 1 February 2019, the date to which the award would be backdated. The impact for North Lindsey would be £155k and £178K for Doncaster for the full year.	
	RESOLUTION: Members recommended the pay award of 1% or £250 (whichever was the higher) to the Board for approval.	
12	Corporate Services – Autumn Term Updates	
	a) Estates	
	The executive summary report provided the highlights of the first term's activities for	

Item	Minute	Action
------	--------	--------

the Estates Departments. The main development had been the extension of the Help Desk facility to Doncaster College. There had been not been any contingencies for the on-going High Melton liabilities (financial plan had assumed site disposal in July 2018) and the thefts of lead from the site had cost around £12K, plus on-going security and other costs. Tenders had been prepared for new contracts for the utility services to better align them across both sites. Lights at North Lindsey were being replaced with LEDs as required. The extra car park facility at the Hub would provide increased space for student parking and an area for the coaches overnight.

It was agreed the next Estates update report would be forward-looking and include any departmental risks. **LS/PD**

b) HR

The report highlighted the latest KPIs at both sites for staff turnover; sickness absence; new appointments; and staffing numbers. There was no trend data available to explain the discrepancies between the sites.

Staff absent due to stress were offered counselling support and occupational health. Management were aware of the situation and pro-active measures were being taken.

13 Chair's Actions

An update was provided on the two most recent Chair's actions:

- A purchase order for support services to assist in the preparation of bids and tenders. Carley Consult Ltd had been identified as the preferred supplier and the contract costs were estimated at £100,000.
- Two settlement agreements with former Doncaster College staff had been approved.

14 Committee QIP

It was noted that the Committee QIP should be used as an aide-memoire and referred to throughout the meeting.

P Adams advised that the Clerk was looking into Governor attendance at committees they are not a member of and would discuss with governors mid-year reviews.

15 Any Other Business

None.

16 Date and Time of Next Meeting

The next Finance & Resources Committee is scheduled for Monday 13 May 2019, at 5.00 pm or 5.30 pm (to be confirmed) at Doncaster College.

**Claire Houlden
Executive/Governance PA**

Signed: (Chair)

Date:

TABLE OF ACTIONS

Date	Minute	Action	Responsibility
6/3/19	3a	H Ainsbury confirmed lessons had been learned; the biggest mistake was not agreeing the process going forward before migration. She would produce a Gannt chart to show progress on the various parts of Pro Suite.	H Ainsbury / P Doherty
	5	M Lochran confirmed he would produce a brief summary of the different adult education income streams and apprenticeship contracts for the June meeting.	M Lochran
	12	It was agreed the next Estates update report would be forward-looking and include any departmental risks.	L Sharp / P Doherty