

ENFIELD COLLEGE
BOARD OF GOVERNORS

COMMITTEE	FINANCE AND GENERAL PURPOSES
Date of meeting	Wednesday 26 November 2008
MINUTES	PART 1

MEMBERS

Mr S Alexander, Miss J Carter, Mr K Harmsworth, Ms M Hayward+, Ms D Johns, Mr P White (Chairman), Mr S Wright *

(+ Governor Hayward joined the meeting at Minute Number 40/2008)
(* denotes absence)

In attendance

Mr P Brady (Director of Human Resources)
Miss C Grant (Director of Finance)
Mr S Jakubowski (Vice Principal)
Mr A Jeffery (Clerk to the Board of Governors)
Mr M Sableski (Director of Planning and Information)

F/35/2008 APOLOGIES FOR ABSENCE

- 35.1 Apologies for absence were received from Governor Wright.
- 35.2 Apologies for lateness were received from Governor Hayward.

F/36/2008 DECLARATION OF RELEVANT INTERESTS

- 36.1 Governor Johns declared a relevant interest as a member of the union UNISON.

F/37/2008 MINUTES

Part 1 of the Minutes of the meeting held on 25 June 2008 were confirmed and signed by the Chairman as a correct record.

F/38/2008 MONITORING ACTIONS FROM PART 1 OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 24 FEBRUARY 2005, 30 NOVEMBER 2006, 20 MARCH AND 28 NOVEMBER 2007 AND 25 JUNE 2008

RECEIVED report number F377-26.11.2008 from the Clerk to the Board of Governors.

NOTED:

38.1 The Director of Human Resources confirmed the following concerning two items in the report:

- a) The College Maternity Procedure had now been amended.
- b) A single scheme for all equality strands was being developed.

F/39/2008 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

F/40/2008 FRAMEWORK FOR EXCELLENCE

RECEIVED report F369-26.11.2008 from the Principal and Chief Executive.

NOTED:

40.1 The Framework for Excellence (FfE) provides a system for comparing evidence of the College's performance in relation to national frameworks.

40.2 The Framework comprises three dimensions:

- Responsiveness dimension
- Effectiveness dimension
- Finance dimension

40.3 The main dimension for the Finance and General Purposes Committee is the Finance dimension. This focuses on Value for Money and financial benchmarking. It also contextualises the College's Property Strategy and feeds into the Quality dimension.

40.4 In response to Governors' questions it was confirmed that Value for Money is assessed by data already submitted by the College and this data will be used to establish national benchmarks.

40.5 It will require full implementation of the framework to see how the College is progressing against FfE dimensions.

F/41/2008 COLLEGE PERFORMANCE REPORT

RECEIVED report number F375-26.11.2008 from the Director of Planning and Information

NOTED:

41.1 Monitoring the Headline Performance Targets 2007/2008

The final funding claim for 2007/2008 will be within the 3% tolerance set by the LSC; final claim will be 98.1% of allocation. The College aggregate success rate is forecast to reach 75%, which is in line with 2006/2007 national averages. Success rates for Long duration provision are forecast to be marginally above current national averages of 70%. Significant improvements in aggregate Short duration provision are expected; however the College is not yet at

national average for success (84%). At this time, there are 430 starts for which results are still unconfirmed. The 2007/2008 F05 final claim file remains editable for achievements until February 2009. All results will be confirmed by this date.

41.2 **Headline Performance Targets 2008/2009**

- a) There are three funding streams to track:
- 16-18 Learner Responsive
 - Adult Learner Responsive
 - Employer Responsive
- b) Forecasts based on current enrolment numbers and planned provision show that the College is expecting a shortfall of 16-18 learner numbers versus LSC allocation. A further risk is that the glh on future planned provision will not be sufficient enough for the College to achieve its SLN target; current forecasts are for a -200 variance in SLNs which equates to £700,000 in generated funding. Reconciliation does not apply to 16-18 funding stream, but this shortfall is expected to impact on 2009/2010 funding allocations. Local indications are that more 16-18 year old learners are remaining at schools rather than joining FE Institutions; it is expected that this trend will continue in future academic years.
- c) There was discussion about how the College could attract more 16-18 year olds, in particular the need to have a focused marketing strategy. It was reported that the College is pursuing the following:
- (i) Reaching 'NEETS' category - young people through such initiatives as the Prince's Trust Volunteers.
 - (ii) The College is open from 24 August to attract students after they have received their GCSE results.
- d) Adult Learner Responsive (ALR) learner number and funding targets are forecast to be met by year-end. Reconciliation applies to ALR funding at mid-year and end-year positions. Current forecasts suggest that with learner and funding targets met, the College will not experience claw-back as a result of either of these reconciliations.

F/42/2008 RESPONSIVENESS TO EMPLOYERS

RECEIVED report number F371-26.11.2008 from the Vice Principal.

NOTED:

- 42.1 This report had been considered in detail by the Quality and Self-Assessment Committee.
- 42.2 The College is shifting towards Employer Responsiveness Funding.
- 42.3 Last year the College met its Train to Gain (T2G) targets. This year the target has increased from 80 starts to 410 starts. This has meant a need to increase staffing and marketing in this area.

- 42.4 The T2G profile shows how the target is being met and how participants are categorised according to different types of activity.
- 42.5 Success rates for T2G need to meet the LSC target of 65%.
- 42.6 Following a successful bid with other colleges, the ESF Project 2008-2010 has been awarded contracts worth £263,000.
- 42.7 New staff are being appointed for the ESF project but the College needs to make improvements to the staffing infrastructure in order to support the delivery of work outside the College.

F/43/2008 COLLABORATIVE PROVISION - ANNUAL REPORT 2007/2008

RECEIVED report number F374-26.11.2008 from the Vice Principal.

NOTED:

- 43.1 The College has a long association with many partners. It has recently established a partnership with ESCT Ltd.
- 43.2 The Quality Toolbox ESF project has now been completed. It achieved a surplus of £32,000 which was below that planned.
- 43.3 The collaborative projects have achieved improvements in quality; achievements in Chickenshed provision are considerably above the national benchmark and performance improvements in respect of the Middlesex Football Association franchise had made a significant contribution to the College's aggregate success rate in short course provision.

F/44/2008 MANAGEMENT ACCOUNTS TO 31 OCTOBER 2008

RECEIVED report number F370-26.11.2008 from the Director of Finance.

NOTED:

- 44.1 The report provides the Board of Governors with information on the financial performance for the three months to 31 October 2008.
- 44.2 The management accounts show an operating surplus of £193,000.
- 44.3 The balance sheet shows net assets of £14.7 million which includes £4.4 million in cash. The College is therefore very solvent.
- 44.4 A new set of model management accounts have been created by the AoC which can be used by the College for management reporting. This is an on-going project and represents best practice within the sector. The model is not mandatory, but the Director of Finance will be reviewing the layouts and incorporating these into the Enfield accounts as appropriate.

F/45/2008

**DRAFT 2007/2008 ANNUAL REPORT AND FINANCIAL STATEMENTS;
MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008;
DRAFT STUDENT UNION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008.**

RECEIVED report number F373-26.11.2008 from the Director of Finance.

NOTED:

- 45.1 The College's Annual Report and Financial Statements for the year are required to be completed and submitted to the LSC by 31 December 2008.
- 45.2 The draft Management Letter to the Audit Committee showed no control issues.
- 45.3 The operating surplus for the year shows a surplus of £881,000. The surplus has been achieved as a result of extra income, reductions in staffing costs and budget holders managing their budgets more carefully.
- 45.4 The Chairman congratulated the College on the remarkable improvement in its financial position.
- 45.5 The draft Student Union Annual Report and Financial Statements were considered:
- a) The Student Union receives £3,000 per year.
 - b) The Student Union has reserves of £5,000.
 - c) An Enrichment Officer has been appointed who is encouraging expenditure on more enrichment activities.

RESOLVED:

- 45.6 The Finance and General Purposes Committee recommends the Annual Report and Financial Statements for the year ended 31 July 2008 to the Board of Governors for approval.
- 45.7 The Finance and General Purposes Committee agreed the Student Union Annual Report and Financial Statements for the year ended 31 August 2008.

F/46/2008

REPORT FROM THE DIRECTOR OF FINANCE

RECEIVED report number F379-26.11.2008 from the Director of Finance.

NOTED:

- 46.1 **Insurance Cover for 2008/2009**
- a) A new insurance broker was appointed with effect from 1 August 2008 which has resulted in a saving in cost for the annual cover of approximately £16,000.

46.2 General Treasury Matters

- a) The College has money with two banks: Lloyds TSB and the Bank of Scotland. Following the volatility within the banking sector experienced over the past few months, the College considered whether to move its funds to alternative banks. It was decided that the College should leave its deposits with its existing bankers, as alternative options were unavailable, and Lloyds TSB has received Government support. The College will set up accounts with other banks so that funds can be transferred from one bank to another in future if required.
- b) The College now holds high cash balances while still paying a loan for the Kingfisher House. Sufficient balances need to be kept in order to meet the costs of the potential merger/property strategy where fees will need to be paid in advance. It was noted that the College borrowed when rates were at their lowest, but may need to consider paying off loans if the costs are considered to be too high.

46.3 Value for Money

The College is committed to a policy on Value for Money and will continue with and develop this policy. The next stage will be to provide summary reporting in Course Builder software.

RESOLVED:

- 46.4 It was agreed that there will be an update at each meeting of the Committee on the impact on the College of the current national financial situation and the risks it presents.

F/47/2008 PAY AWARD 2009

RECEIVED report number F372-26.11.2008 from the Principal and Chief Executive.

NOTED:

- 47.1 The National Forum negotiates a national agreement on pay for the FE sector on an annual basis.
- 47.2 The AoC has recommended a 3.2% increase in salaries and allowances from 1 October 2008.
- 47.3 Enfield College has included within its 2008 revenue budget for a 2.5% increase. (This represents 3.2% as part of the year cycle.)
- 47.4 The different reward systems at Conel and Enfield College were discussed.
- 47.5 The question was posed from Governors that, given the College's projected surplus, whether it could afford to pay more than 2.5%. The College response was that it would be imprudent to pay more at the moment and that a retrospective payment could be made at a later date, if Governors felt it was appropriate.

RESOLVED:

- 47.6 The Finance and General Purposes Committee recommends to the Board of Governors for approval, that a pay award for 2009 of 2.5% be paid in full from January 2009 to all staff (except senior postholders).

F/48/2008 REPORT FROM THE DIRECTOR OF HUMAN RESOURCES

RECEIVED report number F378-26.11.2008 from the Director of Human Resources.

NOTED:

48.1 The report focused on the Human Resources issues for 2007/2008.

48.2 Annual Human Resources Report

a) Recruitment Monitoring

Recruitment activity increased significantly during the year. There was a shift in the ethnicity in recruitment of support staff and was more representative of the overall staff profile. There were more male applicants for lecturer posts, thus addressing the gender imbalance in this area.

b) Staff Profile

- (i) Staffing is relatively stable with no major changes during the year. There has been a small decrease in White British staff.
- (ii) Progression of staff has been related to the College's restructure with a number of BME staff progressing to middle manager posts. (BME - Black Minority Ethnic)
- (iii) The level of disciplinary and grievance activity remains low.

c) Staff Turnover

- (i) The overall turnover figure has increased slightly in comparison to the previous three years.
- (ii) There has been a slight increase in redundancies.
- (iii) The percentage of leavers within the staff turnover figures remains low.
- (iv) The exit questionnaires showed that 67% of respondent's expectations had been met. It was noted that 20% of leavers returned the exit questionnaires.

d) Staff Absence

There has been a slight increase in staff absence, although the level remains below the national benchmark.

48.3 Annual Health and Safety Report

- a) The College's Health and Safety Framework had been raised at the Board meeting in September 2008. Governors were assured that the College addresses Health and Safety issues and that they are a high priority for the College managers.

- b) The College continues to have a comprehensive and well-managed health and safety framework. Within this framework, responsibility for health and safety matters are represented at the most senior level by the Principal and Chief Executive. For operational management, this responsibility is delegated to the Director of Human Resources and the Health and Safety Advisor, who is IOSH accredited. Health and Safety procedures are regularly reviewed to ensure compliance with legislation and best practice. The College has a Health and Safety Committee which meets each term to ensure that statutory and operational health and safety matters are progressed satisfactorily and regular reports are submitted to the Finance and General Purposes Committee.
- c) Two external assessments had been conducted during the year by the Health and Safety Executive and the LSC. Both inspections awarded the College high commendations and confirmed that it provided a safe environment.

48.4 Annual Staff Development Report

- a) There had been a slight increase on the previous year in the amount spent on staff development. New staff have a mentoring system. Staff development workshops in January 2009 will include mentoring workshops. The targeted response to staff development will continue with emphasis on lesson observations and approaches to teaching.

48.5 IIP Accreditation

- a) The College is due for re-accreditation in March 2009. The College will proceed with re-accreditation before the proposed merger takes place.

48.6 Update on legislation

- a) Governors received information on the national minimum wage, annual leave entitlement, maternity changes, changes to welfare benefits and changes to immigration. The changes to immigration law may affect the recruitment of staff and students.

F/49/2008 UPDATE ON PROPOSED COLLEGE MERGER AND PROPERTY STRATEGY

RECEIVED a verbal report from the Principal and Chief Executive.

NOTED:

- 49.1 The changes to the timetable for the proposed College merger process were presented:
 - a) In September 2008 the initial outline proposal (IOP) was approved by the Regional LSC.
 - b) There was a change in the Minister and the proposal went to him for approval. The decision of the Minister was that the proposal can proceed to the next stage of public consultation.

In his letter the proposed new College was described as 'an Olympic Legacy College'.

- c) Public consultation with stakeholders will take place between 5 December 2008 and 19 January 2009. The first groups to be consulted will be two staff groups.
- d) Regular briefings with staff will continue and as much information as possible will be given to staff.
- e) The Joint Steering Group will feed back to Governors.
- f) The Due Diligence process started this week with each of the Colleges' auditors looking at the other's finances. A report from the auditors and lawyers will be presented to Governors.
- g) On 28 November 2008 four firms will be interviewed in order to select a project manager for the capital development project. Once appointed they will drive the process.
- h) The Property Strategy will be progressing in sequence with the merger process.
- i) It is noted that fees will be required to be paid in advance and a reasoned calculation needs to be made to assess the impact of the payments on College finances.
- j) Progress reports on the financial aspects of the project will be fed back to the Finance and General Purposes Committee.
- k) The application for the grant to build the new buildings will be the responsibility of the Project Manager.
- l) An Approval in Principle (AiP) will be required.
- m) The strategy of the College is to meet the needs of the Upper Lea Valley and to meet the needs of the post 2012 legacy.
- n) A communication from Andy Love MP requested reassurance that any developments will benefit his constituency in Edmonton Green.

F/50/2008

PART 2A OF THE MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING HELD ON 26 NOVEMBER 2008

The Board of Governors resolved that in accordance with the Confidentiality Policy approved by the Board, the minutes from Part 2A of the Finance and General Purposes Committee meeting held on 26 November 2008 should be transferred to Part 1 of the minutes. These are as follows:

50.1 Review of College Debtors

RECEIVED report number F376-26.11.2008 from the Director of Finance.

- a) Debts totalling £7,419.50 were written off in the accounts to 31 July 2008, as approved by the Board of Governors on 25 September 2008.

- b) There are three debts in excess of £5,000 at 31 October 2008. None of these is considered doubtful.
- c) Debts outstanding over 90 days amount to £28,778, but the balance is considered to be recoverable.

F/51/2008 DATE OF NEXT MEETING

Thursday 19 March 2009 at 6.00 pm

CHAIRMAN Date