

Date 18 September 2017

Clerk to the Corporation

Venue Board Room, City Campus

Tel: 0114 260 2620  
Fax: 0114 260 2601  
alison.shillito@sheffcol.ac.uk

**Present** Gil Vasey - Chair  
Paul Corcoran  
Chris Linacre  
Kim Streets

**In attendance** Angela Foulkes, College Principal  
Rav Garcha, Financial Consultant  
John Gray, Director of Marketing  
Andrew Hartley, Director of Business Development  
Kate Platts, Executive Director of Finance and Resources  
Alison Shillito, Clerk to the Corporation

**Minute**

**Action**

**17/6/1 Apologies for absence**

Apologies for absence were received from Richard Wright and Darren Tidmarsh. The Chair welcomed Angela Foulkes and Kate Platts to their first meeting of the Committee. The meeting was confirmed as quorate.

**17/6/2 Minutes of the meeting held on 4 July 2017 and action plan**

The minutes of the meeting were agreed as an accurate record.

**17/6/3 Declarations of interest**

There were no declarations made.

**17/6/4 Enrolments 2017/18 - Early indications**

4.1 The Director of Marketing gave a short presentation on the College's progress on learner recruitment based on the number of enrolments recorded on the EBS system as at Friday 15 September 2017. NB the presentation also incorporated information that would have been presented under the Strategic Developments: Marketing report.

4.2 It was noted that:

- enrolment is still in progress, numbers are fluid with some learners still arriving and some applicants who may not turn up to enrol.
- So far, FE 16 - 19 enrolments are not achieving the planned growth, although including partnership enrolments they are around the ESFA allocated numbers.
- This makes it critical that new learners are settled onto the right study programme as quickly as possible. Directors are supervising withdrawals and ensuring that support is available to re-engage or transfer students where there are concerns.
- The biggest concern is a significantly lower proportion than expected of returning students re-enrolling. Tutor mentors and other staff are contacting these students to find out why and to look for trends.
- Adult ESOL, Access to HE and adult apprenticeship starts are all

recruiting well.

- Finance and planning staff are modelling income projections based on the current numbers although these will not be finalised until 'Day 42' at the end of October.

4.3 The Committee commented that it is important for the College to understand why the proportion of returning students is lower than planned. The Committee also discussed the impact of the variances against plan on staff resources. The Chief Executive Officer responded that the Executive Team and Directors are managing staff vacancies to prioritise recruitment to roles in curriculum areas of highest demand.

4.4 The Committee noted the report and asked for an update on 'Day 42' numbers and the impact of variances on income targets for this year and next to be communicated to the Committee as soon as data is available.

EDF&R

#### **17/6/5 Monthly Management Accounts: 31 July 2017**

5.1 The Financial Consultant introduced the Monthly Management Accounts for period 12 2016/17. In introducing the report, the Financial Consultant highlighted the following points.

- i) Although the College had not achieved its income target, it had been able to make savings on pay and other costs and therefore the EBITDA at outturn is significantly higher than budget and in-year forecasts.
- ii) The positive outturn position means that the College should achieve a 'Good' ESFA Financial Health score for the year.
- iii) The College's cash generation and balances are sufficient to meet its likely cash flow needs during 2017/18.
- iv) The strong performance of the College as measured by the current ratio was influenced by completing the sale of Norton, which had enabled the College to increase cash balances and reduce debt by paying off a short term revolving credit facility.

5.2 The Committee considered the report as follows

- i) The Committee welcomed the strong performance at year end and asked if this included provision for disputed VAT costs and any further liabilities that might arise from the reorganisation process. The Financial Consultant confirmed that most of the costs of the reorganisation had been met within the 2016/17 financial year. Provisions had been made for some additional costs to complete reorganisation and VAT payments that are being withheld awaiting the outcome of a tax tribunal case based on *Hansgeorg Lennartz v Finanzamt München III [1991] EUECJ C-97/90 (11 July 1991)*.
- ii) The Committee wanted to understand the relationship between the current ratio, the covenants attached to the College's long term borrowing and its ESFA financial health score. It was explained that the positive cash position satisfies all but one loan covenant. There is a query about the calculation of that covenant, which is out of line with other similar covenants. The College is discussing with the lender having this restated to align with the others. If any covenant is not met then long term debt could become current debt. If this were to occur then the move on the balance sheet would change the current ratio which would have a negative impact on the College's financial health score.

5.3 The Committee noted the report and requested that a list of provisions made in the 2016/17 accounts be presented to the next meeting.

EDF&R

#### **17/6/6 Debt restructuring update**

- 6.1 The Financial Consultant presented a confidential report.
- 6.2 The Committee considered the report. The Committee discussion is reported in a confidential minute for reasons of commercial sensitivity.
- 6.3 The Committee noted the report and requested further information.

Financial  
Consult<sup>nt</sup>

#### **17/6/7 Strategic developments: Business Development**

7.1 The Director of Business Development reported to the Committee on developments as follows.

- i) There has been a lot of tendering activity over the summer and the College has been successful in securing a number of public sector levy payer contracts for appointment as a preferred supplier and for specific programmes.
- ii) We are seeing organisations that previously arranged and managed apprenticeships through local branches moving procurement to a national and long term basis. By bidding as part of the Collab Group, the College has been able to secure a stake in a number such opportunities.
- iii) Operationally, issues remain with the digital system (DAS) for employers to confirm and pay for apprenticeship training. College staff are providing assistance to employers to overcome this but it is having an impact on the overhead for administering apprenticeships.

7.2 The Committee considered the report as follows.

- i) Governors queried whether the tendering process was resulting in a downward pressure on fees. The Director responded that so far all providers were setting fees at the top end of the fee band and feedback indicated that the College is winning tenders based on the quality of its bid submission and the added value it is offering to assist organisations with strategic workforce development.
- ii) The Committee welcomed the success in adding apprenticeship starts in the new College year and asked the CEO to explain how this growth was being managed, particularly in terms of staff resource to ensure timely start and support for apprentices. The CEO said that the College is aware of areas of high demand. Additional posts for growth areas were included in the reorganisation plans and also active management of vacancies is prioritising recruitment into high demand areas.
- iii) In securing larger apprenticeship contracts, the College is keen to ensure that it provides high quality apprenticeship training, a good service to the employer and maximises the potential for efficiencies where there are a large number of apprentices based with the same employer.

7.3 The Committee noted the report and looked forward to seeing the outcomes of work being done on modelling the shift from directly delivered programmes to apprenticeships (Strategic Resourcing Plan) and its impact on work force requirements and funding. This would be completed as part of a Strategic Change Initiative in early 2017/18.

#### **17/6/8 Strategic developments: Human Resource Management**

8.1 The CEO reported to the Committee about the strategic change initiatives most relevant to developments in Human Resources Management. Further work on employee engagement and internal communications is a high

priority in 17/18. A lot of the questions and comments at the September Staff Development day indicated that there remains a lack of trust in College management. Although only a small number of posts were directly affected by the recent organisation change there had been changes to lines of reporting, transfer of responsibilities to new post holders and room arrangements and this needed to settle down.

- 8.2 The Committee noted the report commenting on the importance of re-convening the Learning Together Review group for a pulse check on progress of staff engagement and internal communications improvements.

**17/6/9 Relevant Steering Groups**

- 9.1 The Chief Executive Officer presented a report showing the Strategic Change Initiatives that had been selected as priorities for 2017/18 in the refreshed business plan. Each initiative would be managed by a steering group. Progress would be monitored by the Change Initiatives Programme Board and reported through Executive Board to relevant Governor Committees, with an overview report to Governing Body.

- 9.2 The Committee noted the report

**17/6/10 Annual report to the Audit and Risk Assurance Committee**

- 10.1 The Committee received the draft report and approved it subject to the Clerk making the following changes to section (7).

Clerk

- i) Add a note on the positive impact of the introduction of regular reporting of strategic developments in Business Development, Technology, Marketing and HR. These reports have improved the Committee's capability to exercise effective oversight of performance against strategic plans and budgets.
- ii) The Committee is conscious of the overlap between its work and that of Planning and Performance Committee and the need for financial decision making to have due regard to the impact of those decisions on the quality and character of the education and training provided by the College.
- iii) The report should include a section on the role the Committee played in the setting the parameters for budget planning for 2017/18 as this was important in the development and approval of the proposals for reorganisation.

**17/6/11 Committee membership**

The Committee recommended to Governing Body approval of the appointment of Jane Jones, a newly appointed governor as a member of the Finance, Employment and General Purposes Committee

**17/6/12 Review of the meeting**

The Chair invited members to comment on the meeting.

**17/6/13 Date of next meeting**

Monday 13 November 2017 at 8.00am in the Boardroom, City Campus