

<b>Date</b>	7 November 2016	Clerk to the Corporation
<b>Venue</b>	Board Room, City Campus	Tel: 0114 260 2620 Fax: 0114 260 2601 alison.shillito@sheffcol.ac.uk
<b>Present</b>	Gil Vasey - Chair Ian Brown Paul Corcoran Chris Linacre Sally Neocosmos Richard Wright	
<b>In attendance</b>	John Gray, Marketing Director - for agenda items 4.3 and 5.2 Andrew Hartley, Business Development Director - for agenda items 4.3 and 5.3 Jason Pepper, Executive Director, Finance and Resources Alison Shillito, Clerk to the Corporation Heather Smith, Executive Director and College Principal Darren Tidmarsh, Executive Director, HR & SRIS	

Minute	Action
<b>16/7/1</b> <b>Apologies for absence</b> There were no apologies for absence	
<b>16/7/2</b> <b>Minutes of the meetings held on 12 September 2016</b> The minutes were agreed as an accurate record.	
<b>16/7/3</b> <b>Declaration of interest</b> No declarations of interest were recorded.	
<b>16/7/4</b> <b>Matters arising and action record</b>  The Committee noted the action record, which will be updated to reflect comments made and business transacted at this meeting and reissued with the agenda for the next meeting.	<b>Clerk</b>

**Financial Performance**

<b>16/7/5</b>	<b>Draft Financial Statements for year ended 31 July 2016 - Confidential</b> The Committee received the draft Financial Statements for 2015/16 noting that the Auditors' fieldwork had been completed and no major issues had been identified. The year-end operating surplus (£862,000)
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was in line with the forecast out-turn reported in the July Monthly Management Accounts although it represented a shortfall against the budgeted operating surplus (£2.48m).

Although the College's cash position remained challenging, the draft Statements confirmed that the College is solvent and, based on the Skills Funding Agency (SFA) methodology, continued to achieve a 'satisfactory' financial health rating.

The Financial Statements will be considered at the joint meeting of Finance Employment and General Purposes Committee and Audit and Risk Assurance Committee on 5 December 2016 prior to recommending approval to the Governing Body (19 December).

**A&AR/FE  
GP Cttee  
05.12.16**

**16/7/6**

**Monthly Management Accounts - September 2016**

Some detail of the discussions are recorded in a separate confidential minute.

The Director of Finance and Estates reported that the Monthly Management Accounts were still being finalised due to on-going work to

- confirm enrolment data,
- make adjustments following the business reviews meetings and
- confirm Skills Funding Agency (SFA) income.

**EDF&R  
7.11.16**

The Management Accounts would be issued to members by letter as soon as possible after the meeting.

Andrew Hartley and John Gray were invited to attend discussion of item 4.3 - Outcome of Business Review meetings including report on departmental performance

**16/7/7**

**Outcome of Business Review meetings including report on departmental performance**

Some detail of the oral report and discussions are recorded in a separate confidential minute. It was reported that the programme of business review meetings had only recently been completed for curriculum areas and were in progress for other service areas. The business review meetings with Heads of Learning had challenged and supported each curriculum area to look critically at costs in the light of their enrolment position.

It was noted that lower than planned recruitment would not automatically result in lower costs and the Committee questioned the actions being taken by the College to address the income shortfall and clawback unnecessary costs.

It was reported that meetings with departments had sought to:

- identify opportunities to generate additional income through the year, such as continuing to market and recruit to provision with multiple entry points
- ensure there is due regard to the opportunities for learners at risk of exiting to re-engage or transfer to more suitable routes
- identify opportunities to run courses efficiently by reducing

duplication, merging groups or removing agency where justified practically and academically

- identify efficiencies in business support where savings can be made.

It was noted that there was still a relatively high use of agency teaching staff forecast. This was partly explained by the move away from sub-contracting arrangements to the College providing directly. In the business review process, unnecessary commissions for agency teaching were being withdrawn or revised. Further savings in agency costs would have a significant impact on achieving a balanced budget and would enable additional investment in funding staff development for agency staff with substantial teaching commitments.

The benefits of the business review process had been that each area had been able to analyse and discuss its position individually and adjust its plan. It had also enabled the College to develop a realistic forecast of its current income and expenditure position earlier in the year than previously and identify actions to make improvements.

It was not intended to undermine collegiality between curriculum areas. Heads of Learning were being encouraged to share good practice and be prepared to support areas that might be generating a lower financial contribution but were making a valuable contribution to the College's mission.

The programme of meetings with student support, business support and professional services would continue in w/c 07.11.2016. Support and professional services without an income line would be similarly challenged to review costs and make efficiencies to contribute to achieving a satisfactory budget out-turn. The Committee was assured that all costs were under review.

#### **16/7/8 Update on Lennartz Scheme appeal**

Some detail of the oral report are recorded in a separate confidential minute. The Committee received an update on the College's dispute with HMRC about treatment of value added tax on capital expenditure.

The Committee noted that the College had been given leave to appeal to the tax tribunal. The College would be making an appeal and would update the Committee in due course. As the timescales for hearing and resolving tax tribunal cases tended to be quite lengthy there was likely to be some delay before any further information emerged.

#### **16/7/9 Financial Regulations - Waivers - Confidential**

The information in the report is commercially sensitive and discussions are recorded in a separate confidential minute.

The Committee noted the waivers approved in 2015/16 and those considered so far in 2016/17.

#### **16/7/10 Sheffield Student Trust Fund - Report on 2015/16 income and expenditure**

The Committee received an oral report on the operation of the Trust Fund, a separately registered charity incorporated for the benefit of College students.

The Committee noted that the Trust had awarded grants to two students during 2015/16. The grant provided by the Trust amounted to £308.00 in total. The students did not have any other source of funding to meet the costs and without the grant there would have been a real risk of them not being able to continue on their apprenticeship or course of study. The grants were low because recourse to the Trust was a last resort and in most cases of hardship students had other sources of funding for essential study costs. The balance of the fund at the end of 2015/16 was circa £14,000.

The current Trustees of Sheffield Student Trust Fund are John Boulton, Jason Pepper, Michael Merchant and Caroline Morrison.

#### **16/7/11 Pension Arrangements**

The Committee received the confidential paper which outlined the arrangements for College staff pensions and those of its subsidiary companies.

It was noted that:

- the College is under a statutory duty to offer its staff membership of a relevant public sector pension scheme;
- subsidiary companies have a separate pension arrangement and the cost of this scheme will rise to 3% of payroll in 2018;
- the public sector schemes are tightly regulated;
- the revaluation of the fund underpinning the South Yorkshire Pension Scheme had resulted in a significant capital deficit being reported on the College Financial Statements;
- this was a change resulting from new accounting standards;
- the costs associated with the pension schemes were likely to rise further.

It was reported that some colleges had been required by their local government pension fund to provide assurance of their financial health, accelerate payments towards fund deficits, or allow the fund to place a charge against college capital assets.

The growing cost of pensions, plus increases in other payroll costs - apprentice levy and national insurance - reiterated the importance of sustainable growth and resourcing to secure the future success of the College. The Committee recommended continued consideration of options available to the College to manage pension costs. It was noted that further information on contribution increases was expected in April 2017. The Committee recommended early engagement with the SYPS fund trustees to ascertain the fund's approach to making good the deficit and what if any assurances it would be seeking from member employers.

**EDF&R  
13.03.17**

#### **16/7/12 Strategic Developments: HRM Report**

The Committee noted the confidential report. Some of the discussions are reported under a confidential minute.

16/7/13

**Strategic Developments: Marketing**

The Committee noted there had been a number of positive marketing developments and public relations activities to raise the College's profile, The College had seen increased attendance at Open Day, which had run earlier than in previous years. The marketing team was continuing to support the College's apprentice recruitment targets by focusing on particular employment sectors to market apprenticeships. As regards attracting international students, the College had hoped to continue to work with a number of long standing international partners but changes in the rules on student immigration made such work increasingly expensive and challenging. The Committee requested a paper on the changes to international strategy for a future meeting.

DM  
16.01.17

16/7/14

**Strategic Developments: Business Development**

The Director of Business Development explained that the team would be continuing to focus on increasing apprenticeship starts. The College was preparing for the new technical and professional qualifications and funding mechanisms by securing a new SFA contract and entry to the Register of Apprentice Training Providers. The team was continuing to work closely with the Heads of Learning to develop relationships with public and private sector employers in the region in preparation for the Apprentice Levy. It was noted that employers might want to use levy funds for different types of provision such as skills training for existing staff. There would be competition with other training providers on the Register to secure this business. Governors highlighted the need for the College to ensure there was a close link between business development and staff development planning so that College staff were able to satisfy the interest being generated.

The College was continuing to offer CPD provision via the regional Skills Bank but progress was slow and learner numbers relatively low so far.

16/7/15

**Strategic Developments: Technology**

The Committee received a position paper on the work in progress with Circle IT consultants to develop a 3-5 year strategy for Information and Learning Technology. The key themes identified were:

- Infrastructure and network - including renewal programme for PCs
- Selection of a unified platform to support teaching, learning and management information
- Development of customised dashboards to support teaching, learning and continuous improvement
- The recruitment of a Chief Information Officer to lead on ensuring that staff have appropriate, accurate and timely information to support achieving the College's objectives.

16/7/16

**Subsidiary Companies**

It was reported that the Service Level Agreements between the College and its subsidiary companies had been concluded and each company had a Business Plan for 2016/17. The business plans had not

been presented as they were being adjusted to reflect changes to the College's business requirements post recruitment. The Executive Board would be giving further consideration to nominating additional Directors to the companies once work on the departmental business reviews had been completed. Proposals would be brought to the next meeting of the Committee.

**EDF&R**  
**16/01/17**

**16/7/17 Relevant Steering Group Initiatives**

The relevant initiatives had been considered under particular agenda items.

**16/7/18 Speculative analysis if EU Referendum impact**

It was reported that the main impact of the EU Referendum outcome had been significant increases in the cost of IT licences due to the fall in value of pounds sterling against the US dollar and Euro. This would increase the pressure to ensure that it derives maximum value from its expenditure on technology. It was also reported that there had been anecdotal feedback that the outcome of the Referendum had left some communities so uncertain about their status and welcome in the UK that they may already be considering relocation to Ireland or other EU member states. This may have an impact on the make-up of the student population and demand for English certain programmes.

**16/7/19 Any Other Business**

There were no other items of business

**16/7/20 Review of meeting**

Members were invited to submit comments to the Chair on the new format and content of the agenda.

**Members**

**16/7/21 Schedule of meetings for 2016/17**

Monday 5 December 2016 (Joint with A&RA) at 8.00 am, Boardroom, City Campus

Monday 16 January 2017 at 8.00 am in the Boardroom, City Campus

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

Monday 8 May 2017 at 8.00 am in the Boardroom, City Campus

Monday 5 June 2017 at 8.00 am in the Boardroom, City Campus

Monday 3 July 2017 at 8.00 am in the Boardroom, City Campus