 **CALLYWITH COLLEGE TRUST**

**Minutes** of a meeting of the Finance, Employment and Audit Committee held on 11 June 2019 at Callywith College

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| **Trustees Present:** | Mr P Reed (Chair), Mr P Ugalde and Mr M Wardle (Principal) |
| **In Attendance:** | Dr J Grey (Assistant Principal), Ms R Loom (Business Manager) and Mrs A Winter (Clerk to the Trustees) |
| **Apologies:** | Dr C Gray and Mr D Walrond  Also, Ms L Maggs (Assistant Principal) |

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| **Item** | **Discussion/Decision** | **Action** |
| **19/14** | **Declarations of Interest**  Trustees were reminded of the requirement to disclose any potential interest and to withdraw from the meeting if a matter under consideration could give rise to a conflict of interest - none were declared. |  |
| **19/15** | **Minutes**  The Minutes of the meeting held on 5 March 2019 were **APPROVED** and signed as a correct record. |  |
| **19/16** | **Matters Arising**  **16.01 Related Party Transactions (Minute 19/03.02)**  The Committee noted that a dialogue with the Education and Skills Funding Agency (ESFA) regarding the related party transactions with Truro and Penwith College (TPC) was progressing. The ESFA had acknowledged the Memorandum of Understanding (approved by the DfE when Callywith College was being set up) and an itemised list of the support provided by TPC, as sponsor, was being compiled.  It was anticipated that all outstanding sums owed to TPC would be repaid by the end of 2019/20.  **16.02 Premises Matters (Minute 19/10)**  The Principal confirmed that the remedial snagging work had been completed and the final payment made to Kier. As warrantees and maintenance contracts were now in place there would no longer be a reliance on Kier.  **16.03 FEC Cornwall Post-16 Review (Minute19/12.04)**  Trustees noted that the final report on the FEC Review had been re-published with the inclusion of a reference to Callywith College.  An update would be provided at the Board meeting. |  |

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| **19/17** | **Management Accounts 2018/19**  The Committee reviewed the management accounts to 30 April 2019 and the expected outturn for 2018/19 and discussed any variations to the budget figures.  Trustees noted a number of changes, including additional funding from the ESFA relating to ‘the little extras’ promised in the Chancellor’s Autumn Budget, Devolved Formula Capital and a second tranche of the Teachers’ Pay Grant. Although there had been a £6k overpayment on the Element 3 funding for learners with Education and Health Care Plans (ECHP), Cornwall Council suggested this was deducted from the 2019/20 allocation so funding would not be clawed back this year.  Some expenditure savings were possible, in particular examination costs, administration costs, premises and staffing. The transfer of the water services to a different company on a 3 year fixed-cost tariff was likely to reduce costs although an invoice for 2018/19 was still awaited from the original supplier. Savings on Curriculum costs would enable a general teaching room to be converted and equipped to provide an additional computer space.  In response to questions, the Principal confirmed that a small increase of £15, taking the full price of the bus pass to £530 would be implemented in 2019/20 to take account of the annual price increase by Plymouth Citybus. Additional checks to monitor bus pass use were also being implemented.  The Business Manager confirmed that the balance sheet Accruals and Other Creditors figure was made up of numerous individual items including pensions, expenses and other bills. Trade Creditors included a sum of £440k due to TPC.  The Committee **NOTED** that overall, as a result of variations and adjustments, tight control of expenditure and savings where possible, the end of year forecast had improved slightly. |  | |
| **19/18** | **Proposed Budget for 2019/20**  The Committee considered the proposed budget which was based on the student recruitment target of 950.  The initial Planned Admission Number (PAN) of 770 allocated for 2019/20 had been increased to 855, following an appeal to the ESFA. Funding for numbers recruited above the 855 allocation would not be paid until February 2020 and the delay would result in a challenging cashflow position. In addition, the College was no longer eligible for the leadership grant and the ongoing payment of the Teachers’ Pension Contribution Grant was uncertain.  Trustees asked about the accuracy of the student recruitment projections for September 2019 and noted that estimates were based on 400 learners progressing into year 2 and 550 new enrolments in year 1. Applications were very positive and at this stage the target of 950 looked achievable. The implications of under and over recruitment were also explored. |  | |
|  | The Principal indicated that the lettings charges for use of College facilities were being reviewed to ensure they were in line with comparable facilities. The sports pitches were heavily booked and as the replacement of the astro turf (which had an expected lifespan of 10+ years) would be very costly, a sum would need to be set aside annually in preparation for eventual replacement.  The Committee noted that at this stage the proportion spent on staffing costs remained high but was moving in the right direction and was closer to sector norms.  Following discussion, the Committee agreed to **RECOMMEND** approval of the proposed budget for 2019/20 by the Board.  The Committee asked for a calculation of staff costs as a percentage of core income. | Recommendation for Board  RL to provide | |
| **19/19** | **Cashflow**  The Committee considered the cashflow forecast to July 2020 and key assumptions on which it was based. The proposed budget for 2019/20 had been incorporated into the figures.  Trustees noted that in order to spread payments, rather than expecting quarterly payment in advance, Plymouth Citybus had agreed to schedule future payments over ten months. A low point in the cashflow was expected at the end of the 2019/20 financial year.  The Committee **NOTED** the current projections which remained positive throughout the coming fifteen months. |  | |
| **19/20** | **Financial Procedures Manual**  The Committee reviewed the Financial Procedures Manual which had been updated to incorporate the latest requirements set out in the Funding Agreement and DfE Academies Financial Handbook.  Trustees considered the proposed changes and noted that the Internal Auditor would cover the items set out in the Financial Risk Register. Following discussion, the Committee **APPROVED** the revised Financial Procedures Manual. |  | |
| **19/21** | **Internal Auditor’s Report and Strategy for 2019/20**  The Committee considered the Auditor’s Finance Review (Visit 1 – Winter 2018/19) of key financial controls. The audit involved an assessment of payments, invoices, petty cash, credit card use and compliance with the Financial Procedures in order to provide assurance to Trustees that appropriate systems and controls were in place and operating effectively.  Trustees **NOTED** there were no significant issues arising from the Visit 1 review and all arrangements were found to be satisfactory.  The proposed scope of work for 2019/20 was discussed and Trustees asked that in future, the timing of visits was arranged so that reports were available for each termly Committee meeting.  The Committee **APPROVED** the proposed Audit Plan for 2019/20 and agreed to **RECOMMEND** approval by the Board. | RL to liaise with Auditor  Recommendation for Board | |
| **19/22** | **HR Update**  The Principal provided an update on the recent staff recruitment process and proposed staffing structure for 2019/20. |  | |
|  | Based on student applications and expected course choices, an additional 5 full-time and 4 part-time academic staff had been appointed. The vacancies had attracted a good field of candidates, all posts had been filled and the senior team was pleased with the new appointments.  Recruitment for additional support staff posts was underway to cover maternity leave and increase capacity in a number of areas including finance, administration, reception, student services and work placements. Interviews would be held at the end of June.  New staff were due to start at the end of August and would take part in comprehensive training and induction processes to get up to speed with College systems and processes before the start of term.  The Principal also explained the senior management arrangements, following the departure of Lucy Maggs, Assistant Principal (Student Experience), at the end of the term. The senior team would comprise the Principal and an Assistant Principal, supported by four new Programme Team Leaders (PTLs), each with particular responsibility for specific curriculum areas.  In response to questions, the management roles and responsibilities were outlined and it was confirmed that Jon Grey, Assistant Principal, would take on a broader remit which would include the role of Designated Safeguarding Lead. |  | |
| **19/23** | **Premises Matters**  The Principal reported on the summer works which would include:   * general maintenance and redecoration as required * conversion of a general teaching room to provide another computer area * upgrading IT facilities with an additional 27 computers in learning centres (filling all available data points) * revised car park markings to aid traffic flow and safety. |  | |
| **19/24** | **Health and Safety Annual Report for 2018/19**  The Committee considered the annual Health and Safety (H&S) Report and discussed the extensive range of monitoring activities, preventative measures and training. The Committee noted that during the year:   * the H&S Committee met on four occasions to oversee arrangements – the Committee included representation from across the College * a range of H&S related training had been completed * regular fire drills and fire safety checks had been completed * audits and risk assessments were undertaken to ensure the effective control of substances hazardous to health (COSHH) * various trips and visits had taken place, including sporting fixtures and residential trips for which specific risk assessments were undertaken |  | |
|  | * a summary of accidents indicated no serious incidents or any events requiring external reporting but highlighted a particular area of concern which was the high number of injuries caused by self-harm.   The Committee discussed the support arrangements for students at risk of self-harm and the training and support available to tutors. As well as the College support systems, external referrals and other resources such as a listening service were provided.  Trustees asked about PAT testing of electrical equipment and was assured that this had been completed and kept up to date. The Principal also confirmed that a Business Continuity Plan was in place to deal with a major incident, should this occur, and this will be reviewed by the main Board.  The Committee was satisfied that effective health and safety procedures were in place with a comprehensive range of training and advice available to staff. | |  |
| **19/25** | **Staff Pay for 2019/20**  This confidential item is separately minuted. | |  |
| **19/26** | **Proposed Cycle of Annual Business for 2019/20**  The Committee considered and **APPROVED** the cycle of business. | |  |
| **19/27** | **Date of Next Meeting**  The Committee would next meet at 3.30pm on Tues 26 Nov 2019. | | ALL to note |