

Hereford College of Arts

Minutes of the Meeting of the Finance and General Purposes Committee held on Monday 13 March 2017

Present: - Mrs Lynn Forrester-Walker (Chair)
 Ms Abigail Appleton (Principal)
 Professor Daniel Howard
 Mr Mervyn Jones
 Mr Scott Rolfe
 Ms Kay Sandford-Beal

In attendance: - Mrs Linda Watkins (Clerk to the Governors)
 Mr Tim Williams (Finance Director)

The meeting was quorate as there were six Members present. The Chair welcomed Kay Sandford-Beal to the meeting, introductions followed

	Action
<p>1. Apologies for Absence None.</p>	
<p>2. Declaration of Interests None declared.</p>	
<p>3.I. Minutes of the Last Meeting The Chair signed the minutes of the last meeting held on 28 November 2016 as a true and accurate record.</p>	
<p>3.II. Matters arising from the Minutes of the Last Meeting</p> <p>A. 2015/16 HE applications by geographical area were being collated and would be presented at the Board meeting.</p> <p>B. A revised Treasury Management Policy with amendments to ratings would be brought to the next meeting.</p> <p>C. The Health and Safety Policy would be presented to the Committee and Board to be formally approved.</p> <p>D. The Principal was seeking to identify the top scoring college in the benchmarked staff survey.</p>	<p>A Appleton</p> <p>T Williams</p> <p>T Williams</p> <p>A Appleton</p>
<p><u>The Committee agreed: -</u></p> <ul style="list-style-type: none"> To approve the minutes of the last meeting. 	
<p>4. Finance Report</p> <p>I. Management Accounts to 31 January 2017 and current risks: The Finance Director presented the accounts and highlighted key points from the commentary with questions answered.</p> <p>Changes to depreciation would be reported in next month's accounts. Capitalised items which had not been depreciated were £20,000. The Student Loan Company make three payments a year; if there are any leavers up to the first week in May 2017 the Student Loan Company would reduce the payment accordingly. Retention was at a similar level to last</p>	

year. There was a request for a breakdown on non-pay costs to be presented to the Committee periodically.

T Williams

- II. Student Applications 2017/18: These were presented in conjunction with item 4.III. HE application stats are similar to last year meaning it would not be prudent to forecast growth in student numbers. Applicants had increased with interviews commencing earlier in the year; however, there were 93 applicants waiting for interview; reasons would be followed up and the option explored to accelerate interviews. Firm acceptances were less than last year with interviews and offers at similar levels. Applications and acceptances would be taken into account whilst preparing the budget. There was a decrease in the sector to art and design subjects. Sector intelligence was being sought to identify if conversion rates were slower generally along with surveys to applicants to identify any issues. Significant marketing had been embedded to address this including promoting late applications through targeted campaigns. Assurance was sought that the College engaged with applicants to keep them motivated; this was in place.

A Appleton

FE applications have decreased; however there will be more year 2 cohorts in 2017/18 with lagged funding reflecting this. Reasons for the decrease were requested which included a decrease in applications to the Foundation Course. A Level Photography completed alongside the BTEC had been withdrawn following poor retention; these are not additional students but additional courses for existing students with very small cohorts. It was uncertain if this had had impacted on applications. There is a campaign to offer the Foundation Course as a creative gap year.

Demographics are in decline which will be challenging over the next five years; this is balanced against some students who enrol out of county.

A year zero option is being explored to mitigate schools that are withdrawing provision of creative subjects. Summer courses will be offered as taster sessions to encourage students to explore creative subjects beyond GCSEs. Some new FE courses had been identified to expand the FE offer.

- III. First draft 2017/18 College Budget:
The Finance Director had prepared a draft 5-year financial forecast based on anticipated EFA and SFA funding and student numbers. This assumed the HEFCE grant would decrease in 2017/18. Main assumptions were presented as per the commentary in the report.

The forecast assumed 90% retention; if this improved it would increase income without requiring additional recruitment. Several actions had been implemented to increase recruitment including changes to the structure of open days and overhauling the whole process from the initial point of contact with applicants. The NSS score is good at 90% which would be publicised. An analysis of reasons students leave could enable the College to take steps to

improve retention. USP of small class sizes and personalisation needed to be retained with student support services enhanced further.

Proposed staffing costs for courses were forecast based on current practices. Support staff costs were likely to increase further if student numbers increased so that the additional volume of work created could be addressed. A Governor requested the staff: student ratio.

T Williams

The budget does not assume growth in student numbers in 2017/18 but staff resources have been increased to take account of delivering some new courses which are being phased in. It was vital to launch new courses properly with non-teaching time allocated to lecturers to promote courses and investment in marketing to create growth. Staff costs are estimated at 64% of income against a target of 65%.

A Governor commented that there would be a shortfall of £200,000 this year. The College would need to reduce costs or grow income to reduce the shortfall. There is capacity for growth on courses. 64% staff costs is an FE target, HE funding per student is higher than FE. From an accounting perspective the College is losing money, but has healthy cash reserves. Based on the cash reserves it would be acceptable to increase staff costs marginally as HE attracts more income. In conclusion, the budget is heavily reliant on student enrolment therefore forward planning is crucial to identify productivity of each course.

Student accommodation is shown as a net zero impact. This assumption required further testing as developing student accommodation would reduce cash flow and affect the long term financial position.

IV. Shared Services: [A confidential minute was recorded].

V. Accommodation Task and Finish Group Terms of Reference: Minor changes were made agreeing to plan dates for meetings.

L Watkins

The Committee agreed: -

- To note the management accounts
- The Finance Director would prepare a prudent and cautious financial plan for discussion at the next meeting to be recommended to the Board for approval before submission to SFA.
- To recommend that the Board approve the Accommodation Task and Finish Group Terms of Reference

5. **Proposed Process of Brief for Branding**

The Head of Communications joined the meeting. Following the branding work commissioned last year, a proposal was presented to outline the process to implement the new brand in time for a soft launch at the Summer Show followed by a full launch event September 2017.

The brand was last updated in 2007 when the College changed its name. A brief had been prepared and following a proper process Fiasco Design were appointed. The brief set the College's tone and key messages. The Board has signed off the brand. Governors would be invited to participate along with consultation with staff and students with a mid-point review and update reported at the Board meeting in April.

The design brief was complex in that it needed to reach a wide audience, covering FE and HE, whilst engaging with numerous stakeholders.

Governors would be invited to participate and provide comments about the proposed brief for the brand identity and identify any potential risks. Governors could also be invited to staff or student events. The Clerk would invite Governors to participate.

L Watkins

Costs to embed the brand, including new signage etc. was raised noting that this would be launched and embedded over two budget periods with a phased approach.

The Committee agreed: -

- To note the timetable to launch the brand, progress to date and invite Governors to participate in the process
- Progress would be reported to the Board

6. Annual Health and Safety Report 2015/16

The Finance Director presented the annual report. A plan was requested showing overarching health and safety objectives, organisation assessments and fundamental changes to enable Governors to review and compare performance of health and safety.

The Committee agreed: -

- To note the annual health and safety report 2015/16 which would be presented to the Board for information

L Watkins

7. Personnel Report

I. Personnel Report 2015/16: Staff changes were presented showing staff that had left and, where possible, these were matched against new starters. The financial impact of staff changes was not included but would be useful. Additional recruitment would commence after Easter which was not recorded in the report.

T Williams

Sickness during the period November to February was shown in working days with four members of staff on long term sick leave, one had now returned to work. A Governor requested percentages of staff sickness to enable quarter on quarter and year on year breakdowns and comparisons. This would assist to assess workforce productivity and pay costs as a comparison percentage of income.

T Williams

It was requested to include staff turnover and staff development in terms of hours, number of staff trained and costs each term. In addition to a report on the range of work undertaken by the department.

T Williams

- II. Staff Survey Approach: The Principal reminded Governors that an external survey collated by York College had been completed for several years each May with results available in the autumn. She proposed skipping the survey this year in favour of an internal staff survey which would focus on specific issues to the College to identify areas for improvement. This would be more engaging, particularly during a period of change.

Discussion progressed to the internal student survey and the Principal informed Governors that she had consulted with the Student Governors and SU President. She would also discuss questions with some staff.

A Appleton

The Committee agreed: -

- To note the personnel report
- An internal staff survey would be conducted this year which was anonymised using Survey Monkey

8. Any Other Business

No items

9. Date and Time of Next Meeting

The next meeting was arranged for Monday 26 June 2017 commencing at the slightly earlier time of 5.00 pm.