

# Priestley College - Finance & General Purposes Committee

## Minutes of the Meeting Held on 24.2.2016

**Present:** Andrew Cannell (Chair), Matthew Grant, Reg Haslam, George Hill, Paul McGerty

**Apologies:** Tim Date, Danny Hudson

**In Attendance:** Julie McCann, Damian McGuire, Dr. Carsten Kressel ( Minutes )

### Declarations of Interest

No declarations of personal or pecuniary interest in the matters to be discussed were made.

### Area-based Review

Mr. Grant reported that he had met with John Hogg, the Deputy FE Commissioner, in a follow-up to the recent site visit by the area-based review team. Mr. Hogg had particularly explored the topics of future plans and academisation, as well as the possibility of a more formal co-operation with Warrington Collegiate. He had informed Mr. Hogg about plans to join the Warrington Challenge MAT and that the college currently does not intend to enter into more formal ties with Warrington Collegiate. In a separate conversation, he had also informed Mrs. Newton at the Collegiate of this position.

Mr. Grant further reported that other colleges are looking to work with the University of Chester in future, particularly West Cheshire College and Macclesfield College, whereas Warrington Collegiate may work with the University of Chester or St. Helens College.

The steering group for the area-based review will next meet on 2.3.2016, at West Cheshire College.

**Action 1:** *Mr. Haslam and Mrs. Yates to attend the steering group meeting for the area-based review on 2.3.2016.*

The government recently published guidance on academisation for sixth-form colleges. The guidance specifies that colleges need to submit an expression of interest to JADU at the BIS, as part of the area review process. The JADU will appoint a link person to work the college as part of that process. The college will need to appoint solicitors and financial advisers for the process; a number of such companies will exhibit at the forthcoming briefing for sixth-form colleges in London.

Mr. Grant informed governors that the chosen route remains to join the Warrington Challenge MAT with Bridgewater and Penketh High Schools. Sir Thomas Boteler High School also is interested in joining that MAT. He will meet with Tim Long at Bridgewater to set out a programme time line towards a conversion date of 1.1.2017.

**Governors asked** the following questions: -

- Will the college need to go through the whole process even if they are not interested in academisation? - Answer: Governors can stop the process at any time if they decide that it is not in the best interest of Priestley College to become an academy in a MAT, but it is important to keep the options open for the time-being.
- Following the decision of Penketh High School to close their sixth form, will they work with Priestley? - Answer: They have decided not to take on any new students in September, as it is not financially viable. Instead, they have invited Priestley College and Warrington Collegiate to speak to their Year 11 pupils. In turn, the college has advertised a vacancy for a biology teacher locally.

*Mr. Grant left the meeting to attend a training event at Sir Thomas Boteler High School.*

## Minutes

The minutes of the meeting held on 2.12.2015 were **agreed** as a true and accurate record, for signature by the Chair.

## Matters Arising

None.

## Finance Reports

Governors noted the finance reports for periods 4 and 5. Mr. McGuire explained that, as planned, the budget is being released in a different way than in previous years. Overall, the budget is on target.

**Governors asked** the following questions : -

- Could we have an early indication of potential allocations for future years please?

**Action 2:** *Mr. McGuire to provide an early indication of potential budget allocations for future years.*

- Is Priestley College presenting its true financial strength in the area-based review? - Answer: Yes it is, also in relation to the staffing changes that have already taken place and in comparison with other colleges. Priestley is of sufficient financial health to repay its existing loans from its cash flow, immediately or following academisation, but it serves the interests of the college to leave them standing for the time-being.
- Does the college make any accelerated payments against the bank loan? - Answer: Not at the moment, but all would need to be repaid at once upon academisation.
- Will the financial outturn be good or outstanding? - Answer: The forecast is currently outstanding; the actual outcome depends on the level of additional payments during the remainder of the year. In particular, there is a reserve in the budget in readiness for any voluntary redundancies that may occur. How much of that reserve may be needed is not clear yet.

## Mid-year Budget Review

Mr. McGuire reported the following points: -

- The budget is stable and on target this year, following careful review.

- The only changes relate to disadvantage funding; no impact on the year-end position is expected as a result.
- Pay rises of 0.9% for business support staff and 1% for teaching staff have been built into the budget, backdated to September. A contingency budget has been formed to pay for the pay settlement. Any unused contingency money can go towards redundancy payouts.
- A revenue contingency of £10k has been formed to pay for costs associated with the area-based review and academisation.

**Governors asked** the following questions: -

- How has the required redundancy budget been quantified? - Answer: Some of the money is already in the wages budget, particularly as some staff have already signalled their intention to retire. The maximum number of posts likely to be affected by redundancy is 6. The multiplication factor for voluntary redundancy, compared to the statutory redundancy payments is 2. Based on these considerations, redundancy payments will be affordable from within the existing budget.
- Will the cost be covered by the wages budget and the contingency? - Answer: Yes.
- How much has been set aside? - Answer: £75k have been set aside from the wages budget; this amount may increase as more savings are made. In addition, savings that have been made in the supply budget can also be used. Finally, it would be possible to call on the revenue budget.
- How much do you expect to pay out on average? - Answer: Approximately £15k per redundancy.
- Do you anticipate getting six volunteers for redundancy? - Answer: It is unclear how many people will volunteer for redundancy and whether these are people the college could actually afford to let go.
- When will you finalise the programme? - Answer: The redundancy programme will need to be finalised before the end of May. The college has already informed the JCC of the general situation, and it will also inform the CMT what areas of the organisation will be affected in due course. It is not absolutely clear yet which pools will be affected. It is intended to reach that definition by Easter.
- Is the budget for the area-based review and academies adequate? - Answer: The required amount will be kept under review.

**Action 3:** *Define the likely cost of the area-based review and academisation in more detail.*

### **EFA 16-19 Student Number Statement**

Governors noted that the figures for student funding from the EFA are as expected. The college is currently preparing a case for increased funding following closure of the sixth-form at Penketh. In the meantime, the budget is prepared without additional funding for Penketh pupils. There is still lack of clarity over disadvantage funding, and the phasing and implication of the funding formula remain unclear.

**Governors asked** if the majority of pupils from Penketh will come to Priestley. They were informed that students may also choose to go to Great Sankey or Cronton.

## Budget Timetable

Governors noted the budget timetable. They were informed that the receipt of allocations for the coming year is of greatest importance to inform future work on the budget.

## Policy Review

Governors **adopted** the following policies: -

- Financial Regulations (& Tenders)
- Fixed Assets Policy
- Treasury Management Policy

They noted that the Financial Regulations had been amended to reflect the departure of the college secretary and the introduction of different order processes, whereas the other two documents had remained unchanged.

## Any Other Business

**Governors asked** if there were any plans to rectify the 'lake' in the car park. Mrs. McCann responded that she will get the drains cleaned again, prior to a thorough check of required remedial action.

**Action 4:** *Clean the drains in the car park and establish what remedial action may be required to improve drainage.*

## Date and Time of the Next Meeting

27.4.2016, 4.30 pm.

*The meeting was closed at 5.20 pm.*

## Action Log - February 2016

No.	Description	Responsible
1	<i>Attend the steering group meeting for the area-based review on 2.3.2016.</i>	Mrs. Haslam / Mrs. Yates
2	<i>Provide an early indication of potential budget allocations for future years.</i>	Mr. McGuire
3	<i>Define the likely cost of the area-based review and academisation in more detail.</i>	Mr. Grant / Mr. McGuire
4	<i>Clean the drains in the car park and establish what remedial action may be required to improve drainage.</i>	Mrs. McCann

Accepted as a true and accurate record and signed by the Chair

Signature:

Date: