

**Decision Title: City College Peterborough Status**

**CABINET MEMBER: Cllr John Holdich, Cabinet Member for Education, Skills and University**

**NOVEMBER 2014**

**Deadline date: N/A.**

Cabinet portfolio holder: Responsible Director:	Cllr John Holdich, Cabinet Member for Education, Skill and University John Harrison – Executive Director – Resources
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/12DEC14/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

**RECOMMENDATIONS**

The Cabinet Member is recommended to agree the proposal to strengthen autonomy of City College Peterborough through recognising governing body arrangements and financial delegation formally within the council.

**1. SUMMARY OF MAIN ISSUES**

- 1.1 This reports seeks the Cabinet Member’s authority to formally recognise the delegated financial powers of City College Peterborough (CCP) and also the role and status of the governing body.

**2. PURPOSE OF THIS REPORT**

- 2.1 This report is for the Cabinet Member for Education, Skills and University to consider exercising delegated authority under paragraph 3.4.3 of Section 3 – Executive Functions of the constitution in accordance with the terms of his portfolio at paragraph (b) principally - *‘To deliver the functions, powers and duties for which the Council is responsible as the Local Education Authority’.*

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>
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**4. DETAILS OF DECISION REQUIRED.**

- 4.1 The work delivered by CCP cuts across all four priorities of the Sustainable Community Strategy and all the strands of the Single Delivery Plan, by helping to develop individuals,

improve their skills set, raise potential and aspirations and by having a direct impact on individuals' social and economic wellbeing in Peterborough. The service offered by CCP is to deliver learning opportunities that support local need and help improve the social and economic wellbeing of local residents and communities, working with families, young people and adults with a particular emphasis on the disadvantaged and vulnerable. City College plays a key role around 14 to 19 education and supporting vulnerable groups in the city. It is commissioned to work with key groups and played a huge role in our recent successful inspection of 16 to 19 services.

4.2 In the 2013/14 financial year, it was agreed to topslice £250k from CCP annually to contribute towards the councils budget saving. As a result of this saving being put forward, a commitment was undertaken to review the status of CCP with a view to ensuring this contribution was sustainable going forward. City College is self-sustaining currently with an annually on a turnover of £5m. It requires limited support from within the council. Line management of the Principal remains with the Assistant Director – Education, Resources and Corporate Property.

4.3 The status of CCP has been uncertain within the council for some time. In 2007, a financial delegation document was written to delegate some functions to the governing body (although not constituted officially) but this was never formally adopted through any council process. This document was replicated from the scheme of financing which operated for schools at the time. The college currently operates its financial arrangements externally from PCC although the financial standing is consolidated into the financial accounts at year end.

4.4 As part of the review, three options were considered –

1. Outsource city college as a social enterprise / charity
2. Strengthen autonomy through recognising governing body arrangements and financial delegation formally within the council
3. Do nothing.

Option 1 has been ruled out as a result of additional financial burdens (VAT and pensions) outweighing the benefits that come from the ability to attract further funding. The risk around Ofsted is also significant (being LA controlled brings a level of protection around an inadequate judgement). Option 3 was dismissed as some of the challenges of being semi-autonomous (including who pays for what) have caused issues.

4.5 Appendix 1, 2 and 3 put in place the framework for the management of CCP going forward which makes clear the relationship between PCC and CCP. The governing body of CCP has provisionally agreed these documents.

- Appendix 1 gives an overview of the College and the proposals to formally constitute the College in the arrangements of the council for financial and management arrangements.
- Appendix 2 outlines the constitution agreement for the College and the relationships with the council
- Appendix 3 is the scheme of management for the College which is based upon the updated scheme of financing for schools.

4.6 The corporate management team have reviewed the options and agreed that option 2 is the most sensible way to proceed as it regularises the existing arrangements but with greater clarity. It is proposed that, if supported by the cabinet member, that the agreement for autonomy and delegation is reviewed on a three year cycle (next in 2017) and the Executive Director – Resources, continues to have oversight of these financial arrangements. As a formal delegation of powers to the College governing body from the Council, all contractual relationships remain with the Council.

4.7 Such arrangements for delegation are covered from a legal perspective under the provisions of s.85(3) of the Further and Higher Education Act 1992, which states that “the Council may—

- a. *make such provision as they think fit in respect of the government of the institution (including replacing any instrument of government or articles of government of the institution made under that Chapter or that section), and*
- b. *delegate to the governing body of the institution such functions relating to the management of the finances of the institution, and such other functions relating to the management of the institution (including the appointment and dismissal of staff), as the authority may determine.”*

#### 4.8 Financial Implications

The whole CMDN outlines how the new delegation arrangements will formalise the financial management arrangements that exist between CCP and Peterborough City Council.

### 5. CONSULTATION

- 5.1 Given this documentation does not change the existing arrangements, but simply confirms them, it is not considered necessary to consult outside of the Corporate Management Team.

### 6. ANTICIPATED OUTCOMES

- 6.1 A clear financial and management delegation is in place to support the development of the college.

### 7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 A full review of options has been undertaken and the best overall way to ensure City College continues to perform well and support the most vulnerable learners in the city is via option 2 - Strengthen autonomy through recognising governing body arrangements and financial delegation formally within the council

### 8. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

### 9. BACKGROUND DOCUMENTS

<b>Appendix</b>	<b>Document Title</b>	<b>Embedded Document</b>
1	<i>City College</i>	
2	<i>Constitution agreement for the Management of City College Peterborough</i>	
3	<i>Peterborough City Council Scheme for the Management of City College Peterborough</i>	

## **Appendix 1 - City College Peterborough**

### **Current overview**

City College Peterborough (CCP) currently employs 95 permanent members of staff and has 134 sessional tutors and works actively with 55 partners across the City. PCC has, for a number of years, given devolved powers (informally) to the Governing Board for the financial solvency of the Service/College, its sound management and for all quality matters.

The Principal, who is also an officer of the Council as its Head of Adult Skills, reports into the Head of Corporate Property and Children's Resources but is equally accountable to the Governing Board and now has a national and regional profile for adult education. She is National Policy lead for HOLEX (the national forum for local authority education providers) on LEPs and young people's provision, sits on the National LEA/FEA Executive committee as the national lead for Leadership and Governance, sits on the regional Ofsted Reference Group for raising standards and attainment in the Eastern region and will continue to work to raise Peterborough's profile further on the skills agenda, helping to inform and drive national policy.

The service offered by CCP is to deliver learning opportunities that support local need and help improve the social and economic wellbeing of local residents and communities, working with families, young people and adults with a particular emphasis on the disadvantaged and vulnerable. The communities in which the College often works are those that have low skills and low aspirations, often in areas of high deprivation.

This is all carried out at nil cost to the Council, as CCP operates independently and carries out its own functions including, payroll, HR, pensions and redundancy costs. It operates as a self-financing organisation and is under contract to the Skills Funding Agency, the Education Funding Agency, the National Apprenticeship Service, European Social Funding, other smaller funding pots and is also sub-contracted to by a private provider and an FE College (bringing additional income into the City), as well as delivering programmes at full cost recovery where no direct funding is available. The College turnover is around £5m per annum.

### **Value for money**

The role of the Head of Adult Skills (16+) by the College Principal provides significant Value for Money to the Council, as the responsibilities and tasks that they will undertake, will be in their area of specialism at no cost to the Council and therefore provide savings on additional resourcing needed to carry out this senior and specialist role. It is estimated that if this level of resource had to be bought in, it would be cost the Council in excess of £14,500 per year.

The Services income of circa £4.8m provides learning opportunities to approximately 4,500 local city residents per annum, many of whom come from disadvantaged backgrounds. As a result of the high national profile of CCP, this funding comes from outside of the city and is spent on residents in the city, equating to an average spend of £1,066 per person and providing excellent overall success rates.

The Vice Principal Curriculum ensures Peterborough is at the centre of national debate and policy on adult education issues by being:

- An expert advisor to government via the department for Business, Innovation and Skills on how to engage with disadvantaged adults;
- A member of The Education and Training Foundation group and advising on Professional Standards and Workforce Development in teaching;
- A member of the Migration Advisory Committee which advised the UK Border Agency on immigration.

The impact of City College Peterborough on city's four priorities for a sustainable community and all the strands of the Single Delivery Plan is substantial. Examples of this include, but are not limited to:

- Providing education and support for improving the English of people who are speakers of other languages. There are approximately 800 people in the city waiting for ESOL classes and CCP is one of the major providers. It provides ESOL classes for approximately 400 people per year. It also works with the local schools in supporting them with young learners who have English as an additional language (EAL).
- For the past three years, CCP has worked with the PCC, assisting with their statutory duties to ensure a school place year 10 and 11 minority ethnic new arrivals in the City. Where schools are unable to accept year 11s onto their school roll, the young people are enrolled at the Pupil Referral Unit and CCP deliver their education at the John Mansfield Centre. Without this system, PCC would not be able to meet its statutory responsibilities for these cohorts of young people. In the previous two years CCP have accommodated two groups (24 learners) and this year CCP have one group of learners. Upon completion of their study, many of these learners progress into post 16 study programme provision at CCP.
- Through the communities work that College delivers across the City, the College led a project that targeted families who had moved into the City from overseas. The project worked with 30 primary schools and provided courses that helped parents understand how the UK education system worked and the policies and procedures of schools. This was delivered through English and Maths classes. The College is currently developing courses that will work with the pre-school and secondary school sector. Not only do these courses enable those attending the class to understand the UK education system and their obligations to support it, but they improve the English and maths of the participants and re-engage them in learning.
- Reducing the demand on PCC for the need for interpreters. It is estimated that nationally £140m per year is spent by all public sector bodies on translation costs and approximately £90k per year in Peterborough.
- Through the family learning projects the College provides courses in schools and children's centres, working with parents to improve their basic skills and therefore having a positive impact on their children's education. The main focus of family learning is to improve the English and Maths of learners and then progress those learners onto other courses to enhance their employment skills.
- The College is a member of the City's Children and Families Commissioning Board. The College is now directing their SFA funding to support the priorities of this local partnership.
- Supporting the city in addressing the issues of young people not in education, employment or training (NEET) in Peterborough. The cost to society of not addressing the NEET issue is well documented and includes increased anti-social behaviour on our streets, impact on the Youth Offending Service and pastoral services, increases in NHS and social care costs. CCP typically provides education to 320 NEETs per year from across the city, with 100 having increased complex social, emotional and behavioural needs and a further 50 with specific high level needs (Learners with learning difficulties and disabilities). Over the past three years, the impact of this educational provision has resulted in 70% to 76% of these learners progressing into employment, which given the starting point of the individuals is exceptional.
- Providing education to 50 learners with learning difficulties and disabilities. In 2013/14 five of these learners have profound and multiple needs that would have typically been delivered out of the City. 45 have mild and moderate needs. The new build when complete at the Brook Street site, will serve 50 to 60 high need learners and specifically 32, who would have had to be educated out of City, if the facility did not exist. The typical cost to the City of having to send a learner to a specialist out of the city provider is £30k-£50k per learner per year. In addition these learners will have greater access to their families and enhance social inclusion, being educated in the City where they live.

## **Proposal**

The current structure is one where City College Peterborough is a financial contributor to Peterborough City Council. The proposed structure will ensure that this arrangement not only continues but is enhanced.

The current arrangements between Peterborough City Council and City College Peterborough are informal, the relationship between the two is currently not well defined and this results in the authority being both a commissioning body and deliverer of adult education within Peterborough.

The proposed new structure will provide greater autonomy to the Governing Body of City College Peterborough yet still ensure it meet the needs of Peterborough City Council. This model will serve to safeguard and serve the local communities, enabling the service to increase local decision making about learning priorities and develop robust financial strategies that will enable community learning to flourish and grow.

The attached paper (Constitution agreement the Management of City College Peterborough) sets out the principles for the new structure.

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# **Appendix 2 – Constitution agreement for the Management of City College Peterborough**

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## Executive Summary

This paper sets out a proposed new structure for the management of City College Peterborough by Peterborough City Council. The operational details of the agreement are contained in the document Peterborough City Council Scheme for the Management of City College Peterborough.

The direct benefits to Peterborough City Council of the proposed new structure are that in return for making the assets available to City College Peterborough, Peterborough City Council will receive an income stream of £250k or 5% of the education funding earmarked for City College Peterborough, have direct influence in a college that will continue to target all four priorities of the Sustainable Community Strategy and all the strands of the Single Delivery Plan, delivering c. £4.5m of learning opportunities to support local need. There will be no cost to the Council and CCP will continue to operate as a self-financing organisation, under contract to receive government educational funds via Peterborough City Council.

Under the new structure the Governing Board of City College Peterborough will be formally recognised by Peterborough City Council and will have full responsibility for ensuring all received funding is discharged in accordance with the priorities and financial regulations of Peterborough City Council, the objects of the College and all government funding and quality assurance regulations.

The College will recommend to the Governing Board that two members representing Peterborough City Council are members of that board.

The broad principles of the agreement are:

- The College will have full responsibility for repairs and maintenance of the buildings at both sites.
- The centres will be provided to the College by Peterborough City Council at nil charge.
- The College will submit a budget plan to Peterborough City Council by the end of July each year.
- The College will continue to provide at no cost to Peterborough City Council all the services to operate the College.
- Peterborough City Council agree that if at a later date either centre is needed for any other purpose, then Peterborough City Council will discuss this with the Governing Board and provide City College Peterborough with alternative suitable centres.
- All staff will remain employees of Peterborough City Council.
- City College Peterborough will continue to ensure best value for money in buying all forms of services and contracts.
- The College will use its charitable arm to attract funding from other sources in support of the City agenda.



## Introduction

City College Peterborough (CCP) is Peterborough City Council's Adult and Community Learning College. The College has its own Governing Board, is responsible for its own finances. The Principal, who is also an officer of the Council and the Head of Adult Skills, reports into the Head of Corporate Property and Children's Resources but is equally accountable to the Governing Board (membership of the Governing Board can be found in appendix 1).

The operational details of this agreement are contained in the document Peterborough City Council Scheme for the Management of City College Peterborough.

The work delivered by CCP cuts across all four priorities of the Sustainable Community Strategy and all the strands of the Single Delivery Plan, by helping to develop individuals, improve their skills set, raise potential and aspirations and by having a direct impact on individuals' social and economic wellbeing in Peterborough. The service offered by CCP is to deliver learning opportunities that support local need and help improve the social and economic wellbeing of local residents and communities, working with families, young people and adults with a particular emphasis on the disadvantaged and vulnerable.

As recognised in the Sustainable Community Strategy, Peterborough continues to have lower than average attainment levels in schools and skills levels in the workplace. CCP will continue to drive up the adult skills levels and aspirations of individuals, particularly in areas of high deprivation across Peterborough.

These services are ensured by the College working towards the following agreed objects:

- to advance education;
- to advance health;
- to relieve unemployment;
- to relieve poverty;
- to promote for the benefit of the public the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;
- the promotion of community participation in healthy recreation in particular by the provision of facilities for the playing of sports and related activities;
- to promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.
- For the purpose of this Article "socially excluded" means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards; crime (either as a victim of crime or as an offender rehabilitating into society).

This is all carried out at nil cost to the Council, as CCP operates independently and carries out its own functions including, payroll, HR, pensions and redundancy costs. It operates and will continue to do so as a self-financing organisation, under contract to receive government educational funds via Peterborough City Council, as well as delivering programmes at full cost recovery where no direct funding is available. The College operates to an academic year, 1 August to 31 July, as per the received educational funding.

Many further education colleges use significant sums of government funding to provide training outside of their natural geographical area, thereby starving local need of this resource. All the funding provided to CCP for the delivery of education and training is and will continue to be used in the Greater Peterborough area to deliver the Council agenda.

### **Standards and compliance**

Peterborough City Council will continue to receive post 16 education funds, (currently from the Education Funding Agency EFA and the Skills Funding Agency SFA). As is the current arrangement, these funds will be passed to City College Peterborough. In order to receive this government funding, organisations must demonstrate compliance with a number of government rules and regulations. In 2013/14 these can be summarised as the following:

- Funding guidance for young people 2013/14 (EFA) – 2014/15 not published
- Funding Rules 2014/2015 (SFA)
- SFA Due Diligence
- Minimum Standards for Apprenticeships, Work based learning and Classroom learning
- Ofsted Framework
- Accounting standards
- The financial regulations of Peterborough City Council

The City College Peterborough will also comply with it's own agreed Articles and Instruments of Government

Copies of these documents can be found in appendix 2.

In managing their educational (EFA and SFA) allocations CCP will abide by Peterborough City Council's requirements on financial controls and monitoring. Under this arrangement CCP will cooperate with Peterborough City Council in conducting a full financial audit should the authority deem this necessary.

Under the new structure the Governing Board of City College Peterborough will be formally recognised by Peterborough City Council. The Governing Board will have full responsibility for ensuring that funding is discharged in accordance with the above. The Council will ensure the College delivers to it priorities by recommending to the Governing Board that two members represent their interests, one being a City Councillor, ideally to be the portfolio holder for Learning and Skills and one Executive Director or one Assistant Director.

Compliance with the Instruments of Government for the College will ensure that it will continue to respond to local requirements and deliver the education and training that protects communities in Peterborough, provides progression opportunities for the citizens of Peterborough and reduces the dependency of individuals on the authority and the state.

### **Principles of the agreement**

City College Peterborough will have full responsibility for repairs and maintenance of the buildings at the Brook Street and John Mansfield Centre sites. This will ensure that Peterborough City Council is not in the future faced with any maintenance payments for these buildings.

- The centres will be provided to City College Peterborough by Peterborough City Council at nil charge.
- City College Peterborough will pay Peterborough City Council £250k or 5% of the education (EFA and SFA) funding, whichever is the greater, for the management of the (EFA and SFA) educational contracts and use of the premises.
- CCP will submit a budget plan to Peterborough City Council by the end of July each year, showing CCP's intentions for expenditure in the following academic year and the assumptions underpinning the budget plan. This annual budget plan will be approved by the Governing Board.
- City College Peterborough will continue to provide, at no cost to Peterborough City Council, all the services to operate the centres, whilst complying with the documents and financial statements referenced above.

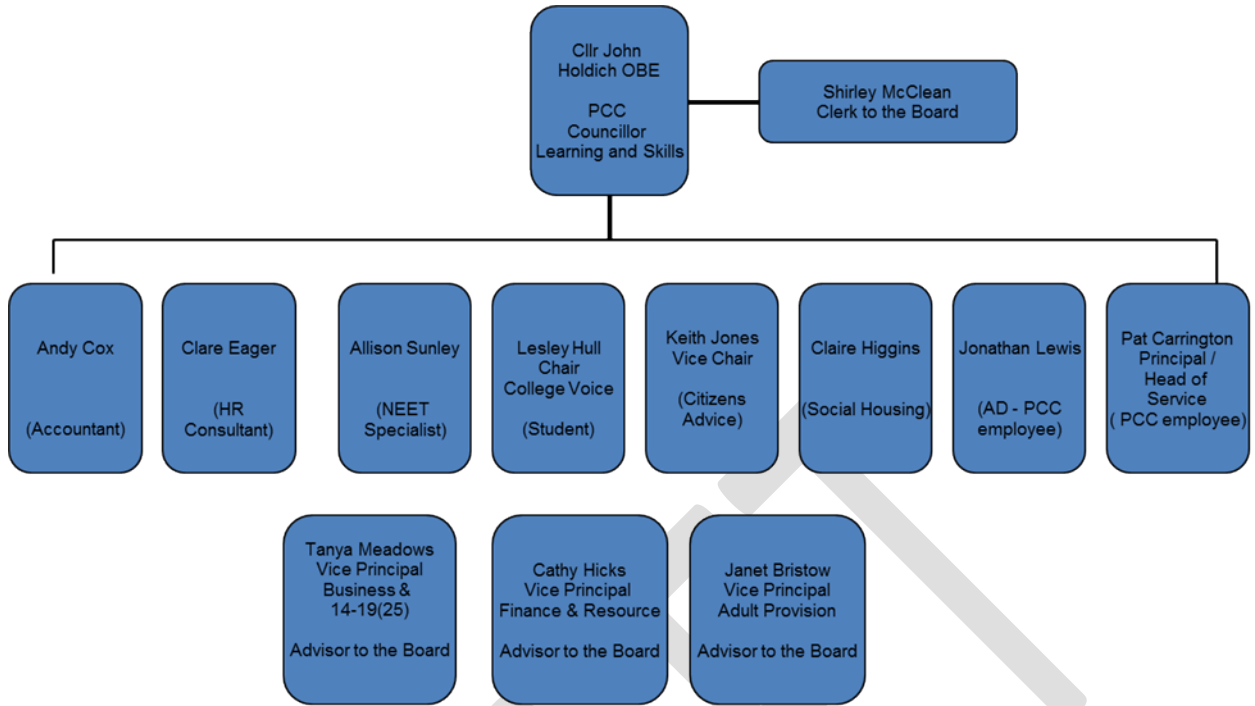
- In order to ensure stability and assurance to adult education in the city, Peterborough City Council agree that if, at a later date, either the Brook Street and John Mansfield sites are needed for other purposes, then Peterborough City Council will discuss this in full with the Governing Board and provide City College Peterborough will alternative suitable centres.
- All staff will remain employees of the City Council, there will be continued recognition of the Joint Consultation Forum (JCF) and the service will continue with the existing arrangements regarding all PCC HR policies and procedures.
- CCP will continue to ensure best value for money by buying in contracts itself, where these offer better value for money to the College than those offered by PCC.
- The College will use its charitable arm to attract additional funding in support of the City agenda.

### **Head of Adult Learning (16+)**

The Principal/Head of Service will, as an officer for the Council, fulfil their role as expert advisor on any matters pertaining to the Adult Skills agenda to the Council and may take on appropriate roles associated with this, in agreement with the Governing Board and reviewed on an appropriate basis.

# Appendix 1

## City College Peterborough - Governing Board membership



## **Appendix 2**

### **Articles of Government – City College Peterborough**

#### **1. Conduct of the College**

- (1) The Service/College shall be conducted in accordance with the powers and duties of the Governing Board delegated from Peterborough City Council – in accordance with the 1944 Act replaced by the Further and Higher education Act 1992 and the Learning and Skills Act 2000.
- (2) The Governing Board exists to oversee the way the Service/College is managed, its human and financial resources, and shall determine the general educational character of the College: to make sure it delivers the Mission Statement, in a way that reflects the highest professional and ethical standards, making effective use of available resources.
- (3) The Board is ultimately accountable to the Peterborough City Council (PCC) for the financial solvency of the Service/College, sound management and the quality of the service provided. It is accountable for the proper use of the public funds entrusted to it and for the proper business management of commercial activities.
- (4) Subject thereto and to the provisions of these Articles the Principal and Governing Board shall determine the curriculum of the Service/College. It is the duty of the Principal to ensure that the curriculum is appropriate and delivered to a high standard.
- (5) It is the duty of the Governing Board, in discharging their duties in relation to the curriculum for the College, to consider any representations which are made to them about the determination or organisation of the curriculum, by the communities served by the Service/College within the context of funding contracts and financial stability.
- (6) The Principal shall be responsible to the Governing Board for the internal organisation, management and discipline of the Service/College.
- (7) There shall be full consultation between the Principal and the Chairman of Governors, also between the Principal and the Director of Education/Children's Services on matters affecting the Service/College.
- (8) All proposals and reports from the Principal affecting the Service/College should be considered by the Governing Board.
- (9) The Governing Board shall furnish the PCC with such returns, reports and copies of their minutes, and maintain such records as agreed and required.

#### **2. Appointment of Sub-Committees**

The Governing Board may establish sub-committees for example finance, workforce, quality, health & safety and others as they think appropriate, and determine their membership and function.

#### **3. Finance**

The Governing Board, will, conform to the Agreement on delegated Financial Powers, as agreed with the PCC and implemented from April 2006.

#### **4. College Staff**

- (1) The Principal and Senior Management Team will determine a complement for the College of full time and part time staff.
- (2) Subject to these articles, the appointment and dismissal of staff will be taken in agreement with the Governing Board or designated Governor.

- (3) No member of the staff or tutors shall undertake any other office or employment which, in the opinion of the Principal in liaison with the Governing Board, or designated governor, interferes with the proper performance of his/her duties.

## **5. Premises**

- (1) The Governing Board shall regularly inspect, keep the PCC informed, as appropriate, as to the condition and state of repair of College premises. The Governing Board shall have the power to carry out repairs and alterations to the premises.
- (2) The Governing Board shall, as appropriate, subject to discussion with the PCC, determine the use to which the College premises, or any part thereof may be put.

## **6. Students, Members, Users**

- (1) The Principal shall, with good cause, have the power of suspending a student/member/user from attendance and will report the matter to the Chairman of the Governors. A student/member/user can request the right of appeal to the Board.
- (2) The Governing Board shall take all possible and reasonable steps to encourage and support the College Student Association. The constitution and functions of such a body shall be subject to the approval of the Board.

## **7. Health & Safety Matters**

The Governing Board and the Principal shall comply with legal legislation concerning health and safety at College premises, workplace and learning environments.

## **8. Copies of Articles**

A copy of these articles shall be given to all Governors and be available to College staff, tutors and students.

## **9. Date of Articles**

These Articles shall come into force on 1 April 2006.

P. Carrington  
Head of Service/Principal

## **Instrument of Government - City College Peterborough**

Powers and duties of the Governing Board were delegated from Peterborough City Council – in accordance with the 1944 Act replaced by the Further and Higher education Act 1992 and the Learning and Skills Act 2000.

From April 2006 the PCC through the Director and Cabinet Member for Education and Children Services granted (re-confirmed) the delegated powers of school status – governance, financial and management. The Governing Board, with the senior management team, retained responsibility for human and financial resources, management and curriculum matters and the strategic planning and delivery of adult community learning and skills across the city. The Governing Board does not have legal liability.

### **1. The Governing Board**

- (1) The Governing Board of Peterborough Adult Learning Service and City College Peterborough hereinafter referred to as 'the College' shall report ultimately to the PCC
- (2) The minimum number of Board members will be eight and maximum twelve
- (3) Main Board members will include:
  - Head of Service/Principal
  - Full Board Members
  - Ex-Officio member(s) agreed by the Board
  - Clerk to Board (Secretary to the Principal)
- (4) The Board may co-opt, for short-term requirements, people with appropriate expertise.
- (5) The Board can co-opt and ex-officio member from the PCC
- (6) **Sub-Committees:**
  - **Sub-committees will be chaired by a member of the Board**
  - **Chairs of sub-committees may co-opt appropriate members but membership should be agreed by the Board**
  - College Student Association (the learners) and Staff representatives can be co-opted onto sub-committees as appropriate and agreed by the Board

### **2. WORKING OF GOVERNING BOARD**

The Board will consist of a:

Chair

Vice-Chair

Clerk to Governors

Sub-Committees (each with a Chair) - currently:

- Finance and Employment
- Adult Skills
- Community Learning
- 14-19(25)
- Business & Apprenticeships

- (2) Board minutes will be agreed by the Chair prior to circulation

- (3) Board meeting agendas will be agreed with the Chair at least ten days prior to a Board meeting
- (4) The Agenda and accompanying papers will be circulated at least seven days prior to a Board meeting
- (5) There are to be agreed rolling items on the Board agenda for meetings. Currently these include:
  - Policies
  - Workforce (to include IIP and MATRIX)
  - Reports from Sub-committees
  - Quarterly Management Accounts
  - Performance against Targets and Objectives
  - Quality
- (6) AOB does not appear on agendas, unless there is a notice of action given 24 hours in advance of the meeting, this has been replaced by Chairman's Items. Members wishing to raise additional matters should do so under this item with agreement, in advance, from the Chair.

3.

The Governing Board exists to:

- Ensure the Service/College thrives as an organization whilst maintaining prudent control of its human and financial resources and assets
- Make a significant contribution to what the Service/College does and to ensure the success of its learners
- Assist the Service/College to maintain a long-term strategic focus whilst working on its shorter-term goals and plans
- Assist the Service/College in responding to local requirements within the context of regional and national needs
- Ensure that the business operations of the Service/College prosper
- Maintain the ethos and uniqueness of the College for adult community learning
- To ensure that a minimum Grade 2 is maintained in Ofsted inspections
- Ensure the Investors in People and MATRIX Standards are maintained.
- To have a Duty of care

In general terms the Governing Board is responsible for the overall functioning of the Service/College. It is accountable for the quality of service to learners, staff and users and their welfare, the financial health of the Service/College; the proper use of public funds and sound management

#### 4. **Appointment of Governors**

- (1) The first Governors under this Instrument shall be appointed in order that they take up office.



- (2) The Governors shall hold office for a period, determined by the Board; terminating on the date of appointment of their successors. Any changes will be notified to the Clerk to the Governing Board.
- (3) Co-opted Governors will serve for the limited period for which they were co-opted which will normally be less one year.
- (4) Nothing in this sub-paragraph shall affect the determination of the membership of the Governing Body of any person under the provision below.
  - (a) Any vacancy occurring among members shall be notified to the Chair of the Board and Clerk to Governors.
  - (b) Any Governor appointed to fill a casual vacancy shall hold office only for the unexpired term of office of the member of the Governing Board whose place has been vacated.
- (5) Determination of Membership:
  - (a) Any Governor upon ceasing to be a member of the organisation which he/she represents shall cease to represent that organisation on the Governing Body.
  - (b) Any Governor who is absent from three consecutive meetings of the Governing Board except for some reason approved by resolution of the Governing Board, or who is incapacitated from acting, or who becomes disqualified to be a member of the body appointing him/her, other than on the grounds set out in Section 80 (i) (b) of the Local Government Act 1972, or who resigns his/her office in writing to the Chair of the Board shall thereupon cease to be a Governor. Any Governor may be removed by the Boards agreement.
- (6) Declaration of Interest
  - (a) If any Governor has any pecuniary interest direct or indirect in any contract or proposed contract or other matter and is present at a meeting of the Board or any of its Committees at which the contract or other matter is the subject of discussion he/she shall at the meeting, as soon as practicable after the commencement thereof, disclose that fact and shall not take part in any decision or vote on any question with respect to the contract or other matter.
  - (b) For the purpose of the foregoing sub-paragraph the provisions of sections 94 to 98 of the Local Government Act 1972 as amended by any subsequent enactment or statutory modification (which relates to the disability of members of local authorities for voting on account of interest in contracts, etc) shall apply mutatis mutandis.
- (7) Chairman and Vice-Chairman
  - (a) The Governors shall at their November meeting in each Academic, year commencing on 1 August, elect a chairman and a vice-chairman of their meetings for the year.
  - (b) The chairman or vice-chairman may not be employed by the College nor a member of the student body. The election shall be carried out by a secret ballot if there is more than one nomination, otherwise by a show of hands. In the absence of both the chairman and vice-chairman the members of the Governing Board present shall elect a chairman for that meeting before any other business is transacted. The chairman and vice-chairman shall always be eligible for re-election. A casual vacancy may be filled by electing a chairman or vice-chairman for the unexpired portion of the year.
- (8) Clerk to the Governing Board

The Secretary to the Principal will act as Clerk to the Governing Board.

(9) Meetings of the Governing Board

- (a) The Board shall hold a meeting at least once every term.
- (b) The quorum for a meeting of the Board shall be 5 (if a minimum membership is 8).
- (c) All meetings of the Board shall be summoned by the Clerk to the Governors.
- (d) A special meeting shall be summoned at any time on the request of either the Chairman, or a quorum of the Board.
- (e) The proceedings of the Board shall not be invalidated by any vacancy in their number, or by any defect in the election, appointment or qualification of any Governor.
- (f) Every question to be determined at a meeting of the Board shall be determined by a majority of the votes of the Governors present and voting on the question, and where there is equal division of votes of the Chairman shall have a second or casting vote.
- (g) Until the contrary is proved the Governing Board shall be deemed to be duly constituted and have the power to deal with the matters referred to in their minutes.
- (h) The Principal is a fully designated and voting member of the Board.

(10) Records of Meetings:

- (a) Minutes shall be kept of all resolutions and proceedings of the Governors and of meetings of Sub-Committees and Advisory Committees.
- (b) These minutes are available for inspection by the PCC.

(11) Rescinding of Resolutions:

Any resolution of the Governors may be rescinded, or varied at a subsequent meeting if notice of the intention to do so has been given to all Board members at the time of convening the meeting.

(12) Revision of Instrument

This Instrument may be revised at any time by the Board.

(13) Date of Operation

This instrument shall come into force on 1 April 2006.

**5. The Role of a Governor Involves:**

- A current knowledge of the 19+ agenda for adult and lifelong learning. At least one governor should have a corresponding knowledge for 14-19 provision.
- A detailed understanding of the market in which we work this includes working with children and young people and the skills agenda
- An understanding of the quality frameworks in which the College/Service operates both locally and nationally for example the annual Self Assessment Report (SAR), The OfSTED Inspectorates Quality Framework, External Awarding Bodies, SFA/YPLA and PCC audit requirements.

- Participation in maintaining the Investors in People and MATRIX Standards and OfSTED Inspection. Governors are likely to be called for interview during an OfSTED and other inspections.
- Attending Board meetings
- Attending appropriate sub-group meetings
- Reading through papers in preparation for meetings – for attending meetings, up dating knowledge of adult lifelong learning issues and understanding our business in a climate of continual change
- An understanding of College/Service finances and resources
- Training as appropriate
- Assist the College management team in meeting the needs of its learners, communities and other stakeholders

The governance of the Service/College is incorporated into the leadership and management element of the Ofsted Quality Framework and therefore also the inspection process (Ofsted) and Self-Assessment Framework. The Board is expected to conduct an assessment of its own activities to be included in the Service Self Assessment Report, which is validated by inspection. The Board will set themselves annual targets against which to assess their effectiveness in governing the Service/College

## 6. Personal Qualities of a Governor

A successful governing board thrives on diversity, bringing together a wide range of people with different personalities, backgrounds, lifestyles, skills and experience. The binding factor is an active and positive interest in adult community education (lifelong learning) and skills.

- Commitment to learning and training, and to the success of our learners
- Willingness to contribute to the life and well being of the Service/College and its community
- Commitment to strengthening the Service/College's link with business and local communities
- Dedication to acting openly, honestly and with integrity
- Determination to get results by innovation and enterprise
- Time and energy to turn commitment into active and positive involvement
- Understanding the Service/College vision, aspirations and policies
- A governor will have to complete a Declaration of Interest

P. Carrington  
Head of Service/Principal

# **Peterborough City Council Scheme for the Management of City College Peterborough**

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# Peterborough City Council Scheme for the Management of City College Peterborough

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## **THE OUTLINE SCHEME**

### **SECTION 1: INTRODUCTION**

#### 1.1 The Funding Framework

Peterborough City Council will be the receiver of post 16 funding from both the Education Funding Agency (EFA) and the Skills Funding Agency (SFA). Peterborough City Council will allocate its entire SFA funding and the appropriate EFA funding to the governing body of City College Peterborough (CCP).

Subject to provisions of this scheme, the governing body of CCP will use the allocation in line with the EFA and SFA regulations.

Peterborough City Council may suspend the allocation if the provisions of the financing scheme, or rules applied by the scheme have been substantially or persistently breached, or if the allocation has not been managed satisfactorily. The governing body of CCP have a right to appeal the Chief Executive Officer of Peterborough City Council (PCC) against this decision and PCC will consider the appeal.

After each financial year the Peterborough City Council must publish a statement showing out-turn expenditure and the balances held.

#### 1.2 The role of the scheme

This scheme sets out the strategic and financial relationship between PCC and CCP and the agreed objects and powers of CCP. It contains requirements relating to financial management and associated issues, which are binding on both PCC and CCP.

##### ***1.2.1 Application of the scheme to the Authority and CCP***

This scheme applies solely to City College Peterborough.

#### 1.3 Publication of the scheme

A copy of the scheme will be supplied to the governing body and the Head of Service/Principal of City College Peterborough.

PCC may publish their scheme and any amendments to it in a manner determined by PCC, after first agreeing the wording with the governing body of CCP.

#### 1.4 Revision of the scheme

The scheme will be updated at least every three years and approved by the Executive Director – Resources. Any proposed revisions to the scheme will be subject agreement between PCC and City College Peterborough.

#### 1.5 Delegation of powers to the Head of Service/Principal of City College Peterborough

The appointed Governing body is asked to consider the extent to which it wishes to delegate its financial powers to the Head of Service/Principal of City College Peterborough and to record its decision (and any revisions) in the minutes of the governing body.

The Governing Body, or a committee of the Governing Body is required to approve the first formal budget plan to be submitted to PCC each year. Governors may choose to delegate the responsibility for the preparation and drafting of the annual budget plan.

The Principal/Head of Service will be appointed jointly by PCC and the Governing Body.

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## SECTION 2: STRATEGIC RELATIONSHIP BETWEEN PCC AND CCP, OBJECTS AND POWERS

CCP and the Governing body have agreed to the Peterborough City Council Scheme for the Management of City College Peterborough. Both PCC and CCP will adhere to the following agreed Objects of CCP:

- to advance education;
- to advance health;
- to relieve unemployment;
- to relieve poverty;
- to promote for the benefit of the public the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;
- the promotion of community participation in healthy recreation in particular by the provision of facilities for the playing of sports and related activities;
- to promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.
- For the purpose of this Article “socially excluded” means being excluded from society, or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards; crime (either as a victim of crime or as an offender rehabilitating into society).

Any changes to this document will need to the approval of the governing body and a senior officer at PCC.

## SECTION 3: FINANCIAL REQUIREMENTS: AUDIT

### **3.1.1 Application of financial controls to CCP**

In managing their EFA and SFA allocations CCP must abide by Peterborough City Council's requirements on financial controls and monitoring.

### **3.1.2 Provision of financial information and reports**

CCP are required to provide Peterborough City Council with details of expected and actual expenditure and income, in a form and at times agreed between the governing board and the Council.

### **3.1.3 Payment of salaries; payment of bills**

The Governing Body should have arrangements in place to ensure that all salary payments made by CCP to individual staff are in accordance with legislative requirements, have due regard to the pay and conditions for each type of staff group and must reflect the pay policies set and approved by the Governing Body.

### **3.1.4 Control of assets**

CCP will maintain an inventory (or register of assets) in relation to all assets exceeding a value of £1,000. CCP will determine its own arrangements for maintaining a register for assets worth less than £1,000 but they are required to keep some form of register for insurance purposes.

In the event that formal notice of the closure of CCP has been published by PCC, CCP is required to submit, within three months, the inventory (register of assets) for all assets over £1,000 held by CCP. The inventory/asset register must continue to be maintained between the time that the notice to close is published and the actual date of closure.

A completed schedule setting out how each asset in the inventory/register of assets is to be disposed of should be submitted with CCP's final year-end accounts for the last complete financial year before the closure of CCP. An updated version of the inventory/register of assets including those assets disposed of in the period between the start of the next financial year and the date of closure should be included with the submission of CCP's final interim accounts.

### **3.1.5 Writing off of debts**

The governing body is only authorised to write off individual debts up to £5000.

### 3.2 Basis of accounting

CCP's financial returns provided to Peterborough City Council must be on an accruals basis. CCP is free to determine which financial software they wish to use and to decide on how they organise their accounts, provided they meet any costs of modification to provide reports required by PCC.

### 3.3 Submission of budget plans

If both the EFA and SFA have allocated the following academic years funding, CCP will submit a budget plan to PCC by the end of July each year, showing CCP's intentions for expenditure in the following academic year and the assumptions underpinning the budget plan. CCP is allowed to take full account of estimated deficits or surpluses as at the previous 31 March in their budget plan.

CCP's formal annual budget plan must be approved by the governing body or a committee of the governing body. The submitted budget plan must be signed by the Chair of Governors and the decision recorded in the minutes of the meeting that the budget plan is approved.

#### **3.3.1 Submission of Financial Forecasts**

PCC may ask CCP to submit an anticipated financial forecast covering each year of a multi-year period for which CCP have been notified of an EFA and/or SFA allocation beyond the current year.

### 3.4 Virement

CCP is free to vire between budget heads in the expenditure of their budget allocation. CCP can earmark reserves for specific purposes with the agreement of the Executive Director of Resources from PCC. Governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required. This regulation may not apply to some earmarked funds that have been devolved to CCP for a specific purpose.

### 3.5 Audit: General

CCP is required to co-operate both with auditors employed by PCC (internal audit), auditors appointed by the Audit Commission to audit the Local Authority itself (external audit) and EFA and/or SFA auditors.

In regard to internal audit, CCP comes within the audit regime determined by Peterborough City Council. In relation to external audit CCP comes within Peterborough City Council external audit regime as determined by the Audit Commission. CCP must also provide access to their records for HM Revenue and Customs when required.

### 3.6 Separate external audits

The governing body is permitted to spend funds from its budget allocation to obtain external audit certification of its accounts, separate from any Peterborough City Council internal or external audit process. Where CCP chooses to seek such an additional audit it does not remove the requirement that CCP must also co-operate with Peterborough City Council's internal and external auditors.

### 3.7 Audit of voluntary and private funds

In addition to the normal internal and external audits, CCP must provide audit certificates in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by CCP.

### 3.8 Register of business interests

The governing body is required to establish a register, which lists for each member of the governing body, the Head of Service/Principal and those CCP staff with responsibilities for finance and/or the allocation of resources, any business interests they or any member of their immediate family have. The governing body is required to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by officers of Peterborough City Council, governors, staff, parents and other appropriate third parties.

### 3.9 Purchasing, tendering and contracting requirements

CCP are required to abide by PCC's financial regulations and standing orders in purchasing, tendering and contracting matters. CCP are required to assess in advance, where relevant, the Health and Safety competence of contractors, taking account of Peterborough City Council's policies and procedures.

### 3.10 Application of contracts to CCP

CCP will undertake to use PCC contractors for services and goods where appropriate, unless it requires specialised contractors or where it is able to secure more cost effective services.

Where approval has been received for the discontinuation of CCP, the governing body is required to ensure that any contracts entered into after that date, expire at the date of closure.

For existing contracts that are due to continue beyond this date, the governing body should ensure that any penalties for the early termination of the contract are charged to CCP's budget allocation and reported as part of the closure of the accounts.

### 3.11 Central funds and earmarking

Peterborough City Council is authorised to make sums available to CCP from central funds, in the form of allocations that are additional to and separate from the EFA and SFA allocation. Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used. Earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into CCP's EFA and SFA budget allocation. Peterborough City Council has the right to claw back any such funds that have not been spent for the prescribed purpose in year or within the period which CCP was allowed to use the funding, if different.

PCC is not permitted to make any deduction, in respect of interest costs to the Local Authority, from payments to CCP of devolved or specific grant.

### 3.12 Spending for the purposes of CCP

The governing body is free to spend educational allocations from government 'for the purposes of CCP', subject to the provisions of this scheme.

PCC further defines the term for the purposes of CCP as expenditure incurred as a result of facilitating the provision of education and training to learners registered at CCP. This may include costs incurred in other educational establishments and/or outreach centres where CCP uses other providers and centres to support the curriculum for specific learners, for example the cost of courses delivered in partnership with another college, training provider, community and charitable organisations.

### 3.13 Capital spending from budget shares

The Governing Body is permitted use revenue funding to capitalise assets, but in doing so they undertake to inform PCC.

If CCP receives capital funding from any source they will report this to PCC.

CCP do not need to seek the consent of PCC for routine and preventative maintenance or repairs within the buildings. However the governing body shall seek the consent of Peterborough City Council where CCP alter the internal structure of the buildings and for capital projects which are subject to building regulations or planning approval, but such consent cannot be withheld by PCC only on health & safety grounds.

### 3.14 Notice of concern

In the situation where CCP is not demonstrating appropriate control and management of its finances, the local authority will issue a Notice of Concern to the governing body and seek to work with CCP to rectify any issues and agree a deficit recovery plan (if required).

Examples of what 'not demonstrating appropriate control and management of finances' means:

- A deficit emerges during a financial year that was unexpected;
- LA deadlines for submitting financial returns are not met;
- Standard of financial returns is poor and could lead to a governing body taking decisions based on inaccurate information;
- Failing to take the actions within an agreed deficit recovery plan;
- Exceeding a licensed deficit;
- "No Assurance" internal audit opinion

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include:



- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of CCP;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of CCP– such as the provision of monthly accounts to PCC;
- insisting on regular financial monitoring meetings at CCP attended by PCC officers;
- require the governing body to buy into a PCC financial management system.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that PCC may take where the governing body does not comply with the notice.

PCC may also issue a notice of concern to the governing body of CCP as a result of an Ofsted visit to CCP, where CCP's "Overall Effectiveness" is graded by Ofsted as inadequate or where CCP is not meeting the Objects of CCP.

Where CCP disputes any aspect of the notice of concern, then the governing body may appeal to the Cabinet Members for Resources and Children's Services setting out their concerns in writing. The appeal will be considered by the Chief Executive Officer of PCC, who, after considering the evidence and on the basis of a unanimous decision may request that the notice is revised, or remains unchanged.

## SECTION 4: INSTALMENTS OF THE BUDGET ALLOCATION: BANKING ARRANGEMENTS

### 4.1 Frequency of instalments

The budget allocation will be made available as allocated by the funding agencies.

### 4.2 Budget shares for closing CCP

In the event that a decision is made to close CCP, a budget allocation related to the number of months remaining in the financial year in which the college closes will be calculated as follows:

- estimated direct and indirect staffing costs required to maintain the college until closure
- estimated non-staffing costs based on the average spend for the same period over the last three years.
- the cost of contracts, including penalties where the liability may be to the date of the college closure or longer, where it has not been possible to negotiate the early release of a contract.
- actual revenue grant allocations the college qualifies for and adjusted where appropriate under grant regulations for the part-year
- actual costs of commitments arising from the delivery of extended community facilities until the closure of CCP, including any earmarked balances related to such activities
- any expenditure required to secure external income due to the college
- any expenditure related to the physical closure of the college including decant, removal and security costs once the college term has ended
- any balances brought forward from the previous financial-year required to fund activities, projects and commitments agreed prior to the start of the new financial year

The budget allocation will be agreed with CCP in advance of the start of the financial year, and funding will be allocated monthly on the basis of the total budget share divided by the number of months remaining before closure.

#### 4.3 Bank and building society accounts

CCP is required to have an external bank account into which their budget allocation (as determined by other provisions of this scheme) are paid. CCP shall be allowed to retain all interest payable on the account unless they choose to have an account within PCC which makes other provisions.

#### 4.4 Restrictions on bank accounts

Only one bank account may be held for the purpose of receiving a budget allocation payments. The College has a current account and a reserve account. The account held for the purpose of receiving a budget allocation must be a sub account of the council's main banking provider only.

If CCP close an account used to receive its budget allocation and open another they must select the new bank or building society from the approved list, even if the closed account was not with an institution on that list, and give Peterborough City Council 2 months notice in writing.

#### 4.5 Use of Credit & Debit Cards

CCP is permitted to use credit and debit cards for making payments for goods and services. The use of this facility must be limited to making purchases that cannot be secured via the College's normal ordering and payment processes, for example the ordering of goods and services over the internet.

The use of credit cards is not considered to infringe the borrowing restrictions imposed on CCP as long as the balance on the account is cleared in full at the end of each month. CCP are required to ensure that arrangements are in place to set up a payment by direct debit to clear the total balance of the account due each month in order to satisfy this condition.

The Head of Service/Principal must authorise any cards to be used, apart their own, having considered the potential risk over and above that of the purchase order system and appropriate controls over usage. The following procedures as a minimum requirement must be put in place to ensure the secure and effective use of these cards.

- a) The Head of Service/Principal should approve a list of authorised users
- b) A policy on the use of debit and credit cards should be approved by the governing body  
The policy should determine restrictions on the scope, use of the card/s and set maximum spending limits.

c) A member of staff, who is not a card signatory, should be appointed to control the use of the cards

d) Documentary proof of any goods purchased with the charge or credit card including details of the nature and cost of those goods should be returned to the person responsible for recording charge card transactions as soon after each purchase as is reasonably practical.

e) All transactions charged to the card account must be reconciled monthly by a member of staff, other than the card signatory.

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## SECTION 5: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

CCP have two financial year ends, 31 March and 31 July. The EFA and SFA allocations are provided from 1 August.

### 5.1 The right to carry forward surplus balances

CCP may set aside funds for special purposes or as reserves against future expenditure. CCP may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to CCP's budget allocation for the year plus/minus any balance brought forward from the previous year.

### 5.2 Balances Assigned for Specific Purposes

CCP can retain balance surpluses for any use that the governing body deem appropriate provided the expenditure supports the Objects of CCP.

### 5.3 Obligation to carry forward deficit balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget allocation.

### 5.4 Planning for deficit budgets

CCP may only plan for a deficit budget in agreement with PCC.

### 5.5 Balances of closing CCP

If CCP closes, any balance (whether surplus or deficit) shall revert to Peterborough City Council unless the funding has been ring fenced for another organisation. It cannot transfer any balance to any other college or school, even where the college or school is a successor to CCP. Any grant funding will be returned to the appropriate funding body.

## SECTION 6: INCOME

### 6.1 Income from lettings

CCP can retain income from lettings of the premises. However, CCP whose premises are owned by Peterborough City Council shall be required to have due regard to the Objects of CCP and the directions issued by Peterborough City Council as to the use of the premises.

### 6.2 Income from fees and charges

CCP will retain income from fees and charges.

### 6.3 Income from fund-raising activities

In accordance with the Objects, CCP may raise funds by way of subscription, donation or otherwise and CCP can retain income from these fund-raising activities.

### 6.4 Income from the sale of assets

With the exception of property, CCP may retain the proceeds of the sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it will be for Peterborough City Council to decide whether CCP should retain the proceeds), or the asset concerned is land or buildings forming part of CCP premises and is owned by Peterborough City Council.

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of CCP.

### 6.5 Administrative procedures for the collection of income

Because of the potential VAT implications of providing services which lead to fees and charges, fund raising activities and the sale of assets, Peterborough City Council has established VAT regulations related to the collection of income as per PCC's financial regulations.

## SECTION 7: THE CHARGING OF CCP BUDGET ALLOCATION

### 7.1 General provision

The budget allocation of CCP may be charged by Peterborough City Council without the consent of the governing body only in circumstances set out in 7.2 below.

Peterborough City Council shall consult with CCP as to the intention to so charge, and shall notify CCP when it has been done.

CCP is reminded that Peterborough City Council cannot act unreasonably in the exercise of any power given by this scheme.

Peterborough City Council has in place procedures for dealing with any disputes arising from charges made to CCP budgets under the conditions above.

### 7.2 Circumstances in which charges may be made

7.2.1 Where premature retirement costs have been incurred without the prior written agreement of Peterborough City Council to bear such costs (the amount chargeable being only the excess over any amount agreed by Peterborough City Council).

7.2.2 Expenditure by Peterborough City Council in carrying out health and safety work or capital expenditure for which Peterborough City Council is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.

7.2.3 Expenditure by Peterborough City Council for which CCP agreed before the expenditure took place, incurred in making good defects in building work funded by capital spending from the budget allocation, where Peterborough City Council owns the premises. Where CCP are required to provide cleaning, repairs and maintenance to the building, the College will commission their own contractors. CCP will not be liable to pay PCC for any services that PCC supply or commission unless it has been agreed in writing by the governing body beforehand.

7.2.4 Expenditure incurred by Peterborough City Council in insuring its own interests in CCP where funding has been delegated but CCP has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by Peterborough City Council.

7.2.5 Recovery of monies due from CCP for services provided to CCP, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by CCP to Peterborough City Council.

7.2.6 Recovery of penalties imposed on Peterborough City Council by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers Pensions or regulatory authorities as a result of CCP's negligence.

7.2.7 Correction of Local Authority errors in calculating charges to a budget allocation

7.2.8 Costs of necessary health and safety training for staff employed by Peterborough City Council, where funding for training has been delegated but the necessary training not carried out.

7.2.9 Compensation paid to a lender where CCP enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

7.2.10 Cost incurred by PCC due to the submission by CCP of incorrect data

7.2.11 Recovery of amounts spent from specific grants on ineligible purposes

7.2.12 Costs incurred by PCC as a result of the governing body being in breach of the terms of a contract.

7.2.13 Legal costs incurred by Peterborough City Council because the governing body did not accept the advice of Peterborough City Council.



8.1 VALUE ADDED TAX

Peterborough City Council has established procedures to enable CCP to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity.

Amounts reclaimed through these procedures will be passed back to CCP.

VAT will be accounted for on a monthly basis.

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## SECTION 9: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

### 9.1: Provision of services from centrally retained budgets

Peterborough City Council shall determine on what basis services, including Premature Retirement with Compensation (PRC) and Redundancy payments, from centrally retained funds will be provided to CCP. However Peterborough City Council is debarred from discriminating in its provision of services on the basis of categories of organisation except where (a) funding has been delegated to some organisation only or (b) such discrimination is justified by differences in statutory duties.

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10.1 Insurance cover

CCP may insure the property of the College against any foreseeable risk and take out other insurance policies as are considered necessary by the Governors to protect the organisation. If CCP use an insurer other than Peterborough City Council, they are required to demonstrate that the cover obtained is relevant to a Local Authority's insurable interests and is at least as good as the relevant minimum cover provided by Peterborough City Council.

The Local Authority in determining their insurable interests must have regard to the actual risk, which might reasonably be expected to arise at CCP, rather than applying an arbitrary minimum level of cover.

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11.1 Right of access to information

The governing body shall supply to Peterborough City Council all financial and other information which might reasonably be required to enable Peterborough City Council to satisfy itself as to CCP's management of its delegated budget allocation, or the use made of any central expenditure by Peterborough City Council (e.g. earmarked funds) on CCP.

11.2 Appointment and powers of the Governing body

There shall be a minimum of eight and a maximum of twelve governors. The appointment and composition of the Board of Governors is set out in the Instruments of Government.

In accordance with the agreed Instruments of Government the Governors are responsible for the management of CCP, for which purpose they may exercise all the powers of CCP.

The powers, responsibilities and the decision making process of the governors/directors are set out in the Articles and Instrument of Government.

11.3 Liability of governors

The Governing Body of CCP will not incur any personal liability in the exercise of their power.

11.4 Governors' expenses

A governor or a person who is connected with a governor may be reimbursed by CCP for reasonable expenses properly incurred by him or her when acting on behalf of CCP.

With the exception of the Head of Service/Principal, only allowances in respect of purposes specified in regulations may be paid to governors from CCP's delegated budget allocation.

With the exception of the Head of Service/Principal, CCP is expressly forbidden from paying any other allowances to governors.

11.5 Responsibility for legal costs

Where there is a conflict of interest between the Local Authority and the Governing Body, CCP may obtain free legal advice either by contacting the Legal Department of Peterborough City Council directly, or by seeking independent legal advice.

## 11.6 Health and Safety

In expending CCP's budget allocation, the Governing Body should have due regard to duties placed on Peterborough City Council in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget allocation.

## 11.7 Right of attendance for Chief Finance Officer

The governing body is required to permit the Chief Finance Officer of the Authority, or any officer of the Authority nominated by the Chief Finance Officer to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The Chief Finance Officer's attendance shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine, and prior notice of such attendance will be given unless impracticable to do so.

## 11.8 Documents Containing Further Financial Controls and Procedures

Standing Orders in Respect of Contracts

Code of Conduct – Tendering

Financial Regulations

Code of Practice on Local Authority and School Relations

## 11.9 Local Government Pension Scheme

CCP will continue to offer LGPS membership for eligible staff. CCP will be part of the Peterborough City Council pool, and not have separate admitted body status.

CCP will be responsible for paying contributions over to the administering body. If such payments are not made, then the Council will need to consider deducting such sums from the budget share to pay directly.

The latest valuation was undertaken for the 2014/15 financial year. The actuary provides two employer contribution rates, one for the Council (who also pay an additional lump sum) and one for schools. CCP will use the schools contribution rates as follows:

- 2014/15 – 19.6%
- 2015/16 – 21.6%
- 2016/17 – 23.6%

Rates from 2017/18 onwards will be determined by the Actuarial valuation.

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