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| **MINUTES** |
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| *Finance and Resources Committee No 28* |
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| Date: |   | *24/09/2019 (Tuesday)* |   | Time: |   | *18:00–20:30* |
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| Venue: |   | *FITT Conference Room* |   | Committee: |   | *Finance and Resources* |
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| Notes: |   | *The meeting will follow the buffet at the FFIT where Governors can meet the applicants for the post of Deputy Principal, Finance and Corporate Services. The meeting may well start a little later than the advertised time.* |
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| Present: |   | *Alison Robinson (Principal), David Hall, Ian Higginbotham (Chairman), John Morphet, Richard Furnival (Vice Chairman) and Stuart Heys* |
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| Attending: |   | *John Wherry (Deputy Principal), Richard Morris (Deputy Principal) and Steven Downham-Clarke (Vice Principal)* |
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| Clerks: |   | *Ron Matthews (Clerk)* |
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| ***Public* Minutes** |
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| Item number: | Item description: |
| (and category) |   |
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| **47.19** | ***Attendance of College Management*** |
| ***Decision*** | Section 8.2 of the current Constitution and Terms of Reference for the Finance and Resources Committee states:College Management and / or Consultants may attend meetings in an advisory capacity.**Resolved:****That College Management staff attend the meeting.** |
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| **48.19** | ***Apologies for Absence*** |
| ***Record*** | There were no apologies for absence. |
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| **49.19** | ***Public Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of meeting No 26 held on 2 July 2019 (published on the extranet) were signed and agreed as a true and correct record of the meeting. |
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| **50.19** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **51.19** | ***Election of Chair and Vice-Chair*** |
| ***Decision*** | Members gave consideration to electing a Chair and Vice-Chair of the Committee for the academic year.The Committee decided to opt for continuity and following due process re-elected the current Chair to serve for a further year.**Resolved:****1. That Ian Higginbotham be re-appointed Chair of Finance & Resources Committee for the academic year 2019/20.****2. That Richard Furnival be appointed Vice-Chair of Finance & Resources Committee for the academic year 2019/20.** |
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| **52.19** | ***Financial Position Statement for the Period Ended 31 July 2019*** |
| ***Decision*** | The management accounts showed that the surplus for the year was £335k against a budget provision of £477k and a forecast deficit of £56k. The surplus was 1.1% pre FRS102 against a target of 1.5%. Overall income was £661k below budget and behind the previous year by £98k. The main areas were Education at £69k (2.1%) less than budget, Ventures at £112k (1.9%) below budget and Apprenticeship and Skills £605k (16.9%) less than budget, Apprenticeships alone were responsible for £552k of this sum.There were some exceptional costs due to employee redundancy and payment in lieu of notice incurred in July in respect of a number of personnel leaving as part of efficiency staffing reductions.The balance sheet remained healthy with a strong cash position of £7.21m and cash days of 86.71.  Investment income was ahead of budget by £31k which was £9k greater than last year. Financial health remained ‘Good’.The Committee explored in great detail the variance between projected surplus and outturn being below budget, particularly with regard to the underperformance of Apprenticeships and Skills, which would be discussed later in the agenda.The Committee asked about the situation regarding the café at Croxteth and were informed that discussions were still on-going.Having regard to the above and following a detailed and extensive debate it was**Resolved:****That the report be received.** |
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| **53.19** | ***Myerscough Ventures Report for the Period Ended 31 July 2019*** |
| ***Decision*** | Ventures contribution was £146k (3.0%) behind budget and £51k higher than last year. The service had been impacted by lower HE student numbers which resulted in less use of residencies and lower usage of the catering facility.Summer schools were well attended this year and had improved performance significantly. The Committee thanked Officers for their work on encouraging summer usage of the facilities. The Farm had a deficit of £119k against a projected deficit of £87k although income was £34k ahead of budget. This was due to high lamb yields which resulted in increased sales and also included increased beef sales within the year. **Resolved:****That the report be received.** |
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| **54.19** | ***Capital Expenditure Report as at 31 July 2019*** |
| ***Decision*** | Finance & Resources Committee gave consideration to the Capital Expenditure Report to 31 July 2019.Projects had been delivered within agreed parameters and time frames. There was an agreed underspend of £280k to ensure the preservation of cash reserves.Total expenditure in the year was £1.96m and £470k less than budget. **Resolved:****That the Capital Expenditure Report to 31 July 2019 be received.** |
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| **55.19** | ***Statutory Risk Register*** |
| ***Decision*** | The Committee gave consideration to those elements of the statutory risk register applicable to the areas of operation of the Committee.  **Resolved:****That the risk register be received.** |
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| **56.19** | ***Going Concern*** |
| ***Decision*** | The Committee received a report relating to the ‘Going Concern’ of the College. ‘Going Concern’ was a fundamental accounting concept for the preparation of financial statements. Governors were required to satisfy themselves that it was reasonable to prepare the College’s financial statements on a going concern basis. This provides some level of reassurance to stakeholders about the financial viability of the College since the approval of the last financial statements.The report concluded that no material uncertainties had been identified leading to doubt about going concern, which the Committee endorsed.A statement to this effect would be included in the financial statements.**Resolved:****That the Finance & Resources Committee recommended the assumption of ‘Going Concern’ in the preparation of the Colleges Financial Statements for 2018/2019.** |
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| **57.19** | ***Trade Debt Levels*** |
| ***Decision*** | Finance & Resources Committee gave consideration to the report on Trade Debt Levels.Members sought clarity on the levels of debt, different elements, timings and payment plans and how much of the debt referred to future provision.**Resolved:****That the Annual Trade Debt Levels Report be received.** |
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| **58.19** | ***Overseas Visits Annual Report for the Year Ended 31 July 2019*** |
| ***Decision*** | The Committee considered and noted the above report and were pleased at the extent of the visits undertaken at a cost to the College of just £4,950.66, which represented just 3% of the total spend on overseas visits.The Committee complimented Officers on the number of overseas visits, which aided students education, and the minimal cost to the College.**Resolved:****That the Overseas Visits Annual Report for the Year Ended 31 July 2019 be received.** |
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| **59.19** | ***Bank Signatures*** |
| ***Decision*** | The Committee considered a report on a review of the authorised bank signatures in the light of the Deputy Principal, Finance and Commercial Services, leaving his post at the end of September.**Resolved:****That the proposed changes to the bank signatures be agreed.** |
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| **60.19** | ***External Audit Regularity Questionnaire*** |
| ***Decision*** | The Committee considered the above questionnaire and the responses provided by the College. The document would be used as the basis for the Regularity Audit by the Independent Auditors. It was required to be signed by the Chair of Corporation and the Accounting Officer in advance of the reporting of the audit in compliance with the Post 16 Audit Code of Practice.**Resolved:****That the Committee note the responses to the questionnaire and authorised the Chair and Accounting Officer to sign the document.** |
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| **61.19** | ***Counter-Fraud Policy and Response Plan*** |
| ***Decision*** | The Committee considered the report of the Deputy Principal, Finance and Corporate Services, on a Counter-Fraud Policy and Response Plan. The Policy outlined a definition of fraud, although the list was for illustrative purposes and not intended to be exhaustive, the role of the Corporation, the Senior Postholders, Managers and Staff and also internal and external auditors.**Resolved:****That the Counter-Fraud Policy and Response Plan be agreed.** |
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| **62.19** | ***Subcontracting Supply Chain Fees and Charges - Policy and Procedure Review*** |
| ***Decision*** | The Committee considered a review of the Policy and Procedure for Subcontracting.**Resolved:****That the review of the Policy and Procedure for Subcontracting Fees and Charges be agreed.** |
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| **63.19** | ***Review of the College Health and Safety Policy*** |
| ***Decision*** | The Committee considered the review of the College Health and Safety Policy.There were no significant amendments to the policy other than to update contacts and job titles, otherwise it was judged to remain fit for purpose.**Resolved:****That the Health & Safety Policy be approved.** |
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| **64.19** | ***Annual Cycle of Business for 2019/2020*** |
| ***Decision*** | Finance & Resources Committee considered its Annual Cycle of Business for 2019/2020.It was reported that the ESFA would possibly require an additional return to be submitted by 31 January 2020 and therefore provision had been made for an additional meeting of the Committee to be held on 28 January 2020.**Resolved:****That the Annual Cycle of Business for 2019/2020 be agreed and that the possibility of an additional meeting being held on 28 January 2020 be noted.** |
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| **65.19** | ***Deputy Principal, Finance and Corporate Services*** |
| ***Record*** | The Chair concluded the public part of the meeting by thanking Richard Morris, Deputy Principal, Finance and Corporate Services, for his work for the College, this being the last meeting he would attend, and wished him well in the future. The rest of the Committee concurred with those sentiments.Richard responded accordingly. |