

MINUTES

Finance & Resources Committee No 5

Date: *09/06/2015 (Tuesday)*

Time: *18:00–20:00*

Venue: *Rural Business Centre*

Committee: *Finance and Resources*

Notes: *Refreshments will be available from 5.30pm*

Present: *Ann Turner (Principal), Clare Platt, Ian Douglass (Vice Chairman), Ian Higginbotham (Chairman), Stuart Heys and Tony Hindle*

Attending: *Jennifer Eastham (Deputy Principal) and John Wherry (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Public Minutes

Item number: Item description:
(and category)

- 24.15** ***Attendance of College Management Staff***
Decision Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states: *College Management and / or Consultants may attend meetings by invitation in an advisory capacity.*
- Resolved:**
- That College Management staff were invited to attend the meeting.**
- 25.15** ***Apologies for Absence***
Record All Finance & Resources Committee members were present.
- 26.15** ***Public Minutes of Previous Meeting***
Decision The public minutes of meeting number 4 held on Tuesday 24 February 2015 were confirmed and signed as a true and correct record.
- 27.15** ***Declaration of interests***
Record Members of the Committee were asked to declare any interests they may have in respect of items on the public agenda.
- Clare Platt declared an interest in item 36.15, 'Summary of Scholarships and Bursary Funds for 2015 / 2016' due to a family member's application to study at the College.
- 28.15** ***Strategic Plan Progress Report***
Consultation Consideration was given to the Strategic Plan Progress Report 2014 / 2015 which summarised progress against set targets relevant to the Finance & Resources Committee.
- Targets were mostly being met and exceeded with overall financial performance strong and in line with the Strategic Plan.
- The Assistant Chief Executive of the Association of Colleges, Julian Gravatt had written on the organisations Blog a piece which began with one of the Conservative Governments key promises, '3 million apprenticeships by 2020' and continued, 'quite a challenge but not

impossible'. An extract of the blog was included with the report to provide national and government perspective on apprenticeships.

Resolved:

Finance & Resources Committee noted the Strategic Plan Progress Report 2014 / 2015.

**29.15
Consultation**

Financial Position Statement for the period ended 30 April 2015

Consideration was given to the Financial Position Statement for the period ended 30 April 2015 which showed the College generating a 7.1% surplus as a percentage of income Pre-FRS17 which was ahead of target to date. The balance sheet remained healthy with, a current ratio of 1:1.35 and cash days of 69.95.

The Deputy Principal Finance and Funding answered Governor questions and supported discussions.

The figure for other income generating activity was below target and was not expected to meet target. New initiatives were being reviewed to increase income in this area.

FE 16-18 income had exceeded target, with the inclusion of above budgeted levels of high needs funding.

The skills and enterprise income was slightly behind the revised budget, additional resources had been deployed to secure an increase in recruitment and ensure that the margin was delivered. It was anticipated that total income targets may not be met.

After due consideration the Committee concluded that the accounts continued to show that the College was in a sound financial position with performance on profile.

Resolved:

That the Financial Position Statement for the Period Ended 30 April 2015 be accepted and approved as submitted.

**30.15
Consultation**

Capital and Revenue Cash Flow for the period ending 30 April 2015

Consideration was given to the Capital and Revenue Cash Flow as at 30 April 2015.

Finance & Resources Committee noted that the cash levels exceeded the forecasted levels as some planned projects had not yet occurred.

After due discussion the Committee concluded that the forecast continued to show that the College would maintain its financially sound position throughout the period

Resolved:

That the report on the capital and revenue cash flow for the period ending 30 April 2015 be received as submitted.

31.15

Consultation

Myerscough Ventures Report for the period ended 30 April 2015

At 30 April 2015 the income contribution from Myerscough Ventures was £1,403,989 which was on profile. The addition of the Farm brought the contribution down to £1,394,959 which was below target.

The Committee expressed its satisfaction that Myerscough Ventures continued to make a positive contribution to the College.

Resolved:

That the financial performance report on Myerscough Ventures for the period ended 30 April 2015 be received as submitted.

32.15

Consultation

Capital Expenditure Report – 30 April 2015

Total expenditure from the annual budget for 2014 / 2015 of £6,529k amounted to £2,896k at 30 April 2015.

The forecast outturn indicated the Capital Plan delivery was within the 3% tolerance level of the plan, actual figure being 0.96%. Projects were on schedule to be delivered to planned time frames.

Finance & Resources Committee commented on the visible transformation of the Campus as planned projects continued.

Finance & Resources Committee expressed its satisfaction with the Capital Expenditure Report and progress being made.

Resolved:

That the Capital Expenditure Report for the period to 30 April 2015 be received as submitted.

33.15

Decision

Report on Trade Debts

Finance & Resources Committee gave consideration to the report on the analysis of trade debt and to the review of the overall debt policy.

Members received explanations on the profile of the debt and its collection methods and were informed that the College's stance on collection was documented within the Tuition Fee Policy as well as via the Debt Management Policy and Procedure.

In accordance with planned strategy, the College's direct Higher Education provision was expanding. This would lead to a greater financial margin but also, at the start of the year, increased debt as invoices were generated.

It was agreed an annual report on Debt would be presented to Finance & Resources Committee. This would be added to the cycle of business

Resolved:

- 1. That the Report on Trade Debts be received as submitted.**
- 2. That the Credit Control and Debt Management Policy and Procedure be endorsed.**

34.15

Decision

College Investments

Consideration was given to the Investments Report for the period ended 30 April 2015.

Total cumulative interest received on cash balances at the College's bank accounts amounted to £22,026. The total cash invested at the bank amounted to £5,286,442 at 30 April 2015.

Finance & Resources Committee gave consideration to the Investment Opportunities Report presented by the DP Finance & Funding in which members were asked to approve the continuation of short term investments at Barclays, Nat West/RBS, Handelsbanken and Lloyds banks. Members noted the more favourable interest rate at Lloyds and endorsed investment at the discretion of The DP Finance & Funding according to the parameters within the Treasury Management Policy.

In response to a query concerning cash flow it was confirmed that if cash flow dipped below £1m Finance & Resources Committee would be informed. Management considered this to be an unlikely scenario.

Finance & Resources Committee gave consideration to the Treasury Management Policy which provided an agreed framework in which Management would operate when managing the College's cash flows, its current and deposit accounts, investment and borrowings with the aim of securing the best return within acceptable risk levels. Finance & Resources Committee endorsed the change in the Treasury

Management Policy which allowed investment of up to £2.5m in Lloyds bank.

Resolved:

1. **That the Investment Funds report be noted**
2. **That the Investment Opportunities Report be endorsed**
3. **That the amended Treasury Management Policy and Procedure be approved**

35.15

Information

FRS 102 - The new FE / HE SORP Reporting Standards

The Deputy Principal, Finance and Funding updated the Committee on FRS 102, the main new UK GAAP (Generally Accepted Accounting Practice) standard that was replacing the current reporting standards. FRS 102 impacts on the SORP (Statement of Recommended Practice) which defines how Colleges and Universities must present their accounts.

The key differences were outlined to members and demonstrated through provision of copies of the 2013 / 2014 income & Expenditure account, the balance sheet and the ratios in both the old and new formats.

The new standard would be applicable for the 2015 / 2016 accounts.

Resolved:

That the report on the changes to the accounting methods commencing with the 2015 / 2016 accounts be noted.

36.15

Decision

Summary of Scholarships and Bursary Funds for 2015 / 2016

Finance & Resources Committee gave consideration to the arrangements for scholarships and bursary funds for 2015 / 2016. The bursary funds and relevant processes had recently been audited.

Finance & Resources Committee agreed the funds and relevant forms and criteria which were similar to the previous year.

The sum involved was close to £1M.

Resolved:

- I. **That the FE Bursary Fund Policy 2015 / 2016 be approved**
- II. **That the FE Bursary Fund Application Form 2015 /2016 be approved**

- III. **That the FE Bursary Continuing Application Form 2015 / 2016 be approved**
- IV. **That the HE Bursary Fund Policy 2015 / 2016 be approved**
- V. **That the HE Bursary Fund Application Form 2015 / 2016 be approved**
- VI. **That the HE Duchy of Lancaster Application Form 2015 / 2016 be approved**
- VII. **That the Scholarship Application Form 2015 / 2016 be approved**

37.15

Decision

Myerscough College – Access Agreement 2016 / 2017

The Finance and Resources Committee considered the statutory College Access Agreement which set out the tuition fees and financial support arrangements for students entering higher education programmes at Myerscough College that are contained in the direct contract with HEFCE from 1 September 2016.

In response to questions it was confirmed that the access agreement correlated with equality, diversity and inclusion, and widening participation information and considerations within the College.

Resolved:

That the Myerscough College – Access Agreement 2016 / 2017 be approved

38.15

Information

Financial Health

In a letter to the Principal, dated 6 March 2015 the Skills Funding Agency had confirmed the College's Financial Health grade as 'Outstanding' and the underlying health grade as 'Outstanding'. The latter judgment being based on the review of the Colleges financial plan 2013 / 2014 to 2015 / 2016.

The Skills Funding Agency had attached an annex to the letter which provided a comparison of the forecast for 2013 / 2014 from the College's 2014 to 2016 financial plan and the 2013 / 2014 Finance record highlighting key figures, ratios and

variances. The comparison showed the accuracy of the projected outturn to the actual outturn.

With reference to the College's Capital Development Plan Finance & Resources Committee had previously expected that the Financial Health grade would dip to 'Good' for 2014 / 2015, when in fact it had remained

as 'Outstanding' but still expected it to dip to 'Good' for 2015 / 2016 before returning to 'Outstanding'.

Resolved:

That the Financial Health Grade of 'Outstanding' be noted.

39.15

Consultation

Human Resources Report for the period ending 30 April 2015

Consideration was given to the Human Resources report for the period ended 30 April 2015 which included details of staff turnover, stability and sickness. In the main targets were being met and exceeded.

The most common reason for staff leaving was recorded as promotion and salary level. The highest turnover was amongst teaching staff. In response to questions Finance & Resources Committee noted overall, a stable situation and agreed that some movement of staff was healthy to the organisation. It was confirmed posts were advertised with the full range of the salary band displayed.

The improved reporting mechanisms continued to evolve and allow greater visibility which assisted managers in being proactive.

The outsourcing of the Residential Services had taken effect from 1 March 2015 and this had resulted in a reduction in the College sickness statistics although long term sickness was just missing target.

Resolved:

That the Human Resources Report for the period ended 30 April 2015 be received.

40.15

Consultation

Health & Safety Report for the period ending 30 April 2015

Members gave consideration to the Health and Safety Report for the period ended 30 April 2015 which provided an analysis of accident statistics over the period together with other Health and Safety activity including policy updates, staff training, free health checks, auditing and inspections. Two RIDDOR reportable accidents had occurred in the period but with no further investigation. Slips, trips and falls remained the most reported accidents at 43% of the total although the overall number of accidents was down on the same period last year. Equine had showed a reduction in accidents after a previous upward trend. Most equine related accidents were through riding and were in supervised class time. In response to questions it was confirmed that on analysis of accidents any safeguarding concerns were referred through appropriate channels. Finance & Resources Committee received the assurance and emphasised the importance of culture and awareness in the

organisation to report accidents, analyse and refer where relevant. Members noted the breakdown of reporting in the Safeguarding Report which was presented to the full Governing body annually.

Finance & Resources Committee received assurance through the regular reports and further verbal confirmation from the DP Resources and through answers to questions, that the necessary robust policies and procedures were in place which included procedures in the event of a fatality.

Finance & Resources Committee expressed satisfaction in the management of Health & Safety for the College.

Resolved:

That the Health & Safety Report for the period ending 30 April 2015 be received.

