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| **MINUTES** | | | | | | |
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| *Finance and Resources Committee No 26* | | | | | | |
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| Date: |  | *02/07/2019 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Rural Business Centre* |  | Committee: |  | *Finance and Resources* |
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| Notes: |  | *Refreshments will be available from 5.30pm* | | | | |
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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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| **11.19** | ***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 attend the meeting.** |
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| **12.19** | ***Apologies for Absence*** |
| ***Record*** | An apology for absence was received from David Hall. |
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| **13.19** | ***Public Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meeting number 25 held on 5 March 2019 (published on the extranet) were signed and agreed as a true and accurate record of the meeting. |
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| **14.19** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **15.19** | ***Financial Position Statement for the Period Ended 30 April 2019*** |
| ***Decision*** | The Committee gave consideration to the Financial Position Statement for the period ending 30 April 2019. The report included information on investment funds and cash flow.The Chair stated that as the Committee would be considering the budget papers at their Special Meeting on 15 July 2019, which would include an outturn report for the year, there was little value in an undertaking an in depth review of the financial situation as at 30 April 2019.It was  **Resolved:**  **That the Financial Position Statement for the period ending 30 April 2018 be received.** |
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| **16.19** | ***Myerscough Ventures Report for the Period Ended 30 April 2019*** |
| ***Decision*** | Consideration was given to the Myerscough Ventures Financial Performance Report for the period ended 30 April 2019.  At the end of the period the income contribution from Myerscough Ventures provided a total contribution of £1,105,372 behind profile by £92,654. This underperformance related directly to lower student numbers meaning less income from accommodation and catering.Some areas had performed well, close to or on target.  Commercial Horticulture was short of target.Contributions to overheads were shown after the allocation of the direct costs associated with the activities.  **The Farm** - Performance was significantly below projections.  A discussion took place and members asked questions on aspects of performance described in the monitoring plan. The original year end outturn would not be achieved and the team were working hard to manage expenditure during the final period of the year.  Members noted the monitoring plan, farm staffing, and attention to the farm enterprises. The Farm Director had recently resigned from the post. The Committee sought assurance that the financial position of the Farm would improve before the end of the financial year.  **The Food, Farming, Technical & Innovation Centre (FFIT) -** Members gave consideration to the summary of progress against FFIT / LEP targets to May 2019.  Overall project targets were due to be achieved by 31 March 2021.  Members asked questions on FFIT financial and strategic performance.  The external marketing of the FFIT on the College website was now in place.  **Resolved:**  **1. That the Ventures Report for the period ended 30 April 2019 be received.**  **2. That the Farm monitoring report be received and that Officers continue their work to improve the financial performance by the end of year.**  **3. That the FFIT progress report be received.**   |  | | --- | |  | |
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| **17.19** | ***Capital Expenditure Report for the Period Ended 30 April 2019*** |
| ***Decision*** | Total expenditure against the annual budget of £1,566k for 2018/2019 amounted to £746k at 30 April 2019. at the Governors briefing on 28 February it was agreed that Management would seek to defer capital expenditure in the current year to preserve cash balances. This accounted for the current variances in expenditure.The Deputy Principal, Resources, outlined his investigations into vehicle leasing/purchase/hire and that it had become more cost effective to purchase vehicles at the present time. In addition, a review of requirements indicated the need for 6 additional vehicles. It was therefore anticipated that the allocation for vehicle replacement would be fully utilised this year.  **Resolved:**  **That the report on Capital Expenditure for the period ended 30 April 2019 be received.** |
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| **18.19** | ***Education & Skills Funding Agency*** |
| ***Decision*** | Members considered a letter from the Education and Skills Funding Agency, which confirmed Financial Health for Myerscough College as 'Good'.The letter also included a financial dashboard compiled from the information that Myerscough and other colleges submitted. This incorporated various key performance indicators and measures against both target benchmarks and benchmarks achieved in the sector.  **Resolved:**  **That the EFA report on the Financial Health of Myerscough College be noted.** |
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| **19.19** | ***College Funding 2019/2020*** |
| ***Decision*** | Finance & Resources Committee gave consideration to the updated report on the current situation with regard to funding for 2019/2020 which had been considered at the last meeting in March.Members noted that the original decrease in funding of £116,928k, relating to High Needs Funding Allocations had, on appeal, been increased by £356,476k with the total allocation for 2019/2020 now being £11,289,980k. This included High Needs Funding but excluded bursaries, which was £239,548 higher than the current year funding.The report included a detailed breakdown of the revised allocation compared to the current year's funding.In response to questions Members noted the College course mix did have an effect on income as some courses, eg Agriculture and Equine had higher cost weightings.  **Resolved:**  **That the FE funding Report be received and the funding allocation for 2019/20 be noted.** |
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| **20.19** | ***HE Tuition Fees 2020/2021*** |
| ***Decision*** | Finance & Resources Committee gave consideration to the proposed Higher Education Tuition Fees for 2020/2021. To ensure compliance Myerscough was required to work with UCLAN to agree the fee structure for new entrants in 2019/20 as part of the Access Agreement and also in line with the requirements of the Office for Students.The recent Augar Review had recommended a fee cap of £7,500 from 2021/2022. This would prove a significant risk to the College and the current recommendations based on the existing fee cap of £9250 for full time students.The report included summary of the fees including part time and international students.  **Resolved:**  **That the HE tuition Fees be submitted to Corporation for approval.** |
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| **21.19** | ***Statutory Risk Register*** |
| ***Decision*** | Finance & Resources Committee gave consideration to those elements of the Statutory Risk Register applicable to the Committee. Changes were highlighted which included one risk reduced and two increased. No new risk had been added.  **Risk 3c -** Failure to maintain/increase ESFA Allocations - this had reduced from 16 (high) to 15 (high) following the recent appeal.  **Risk 3d -** Ensuring accuracy of student data which drive funding -increased from 6 (low) to 8 (moderate) following the data error last year resulting in the High Need Funding reduction overturned on appeal.  **Risk 3j -** Impact of further Government cuts and/or continuing freeze in funding levels for FE programmes - Residual risk increased from 9 (moderate) to 15 (high) based on current delay in the Government's Comprehensive Spending Review.  **Resolved:**  **That the Risk Registers relevant to the Finance & Resources Committee and associated actions be agreed.** |
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| **22.19** | ***Student Bursary Fund Allocations 2019/2020*** |
| ***Decision*** | Finance & Resources Committee gave consideration to the Student Bursary Fund Allocations for the academic year 2019/20 and the revised FE and HE Student Bursary Policies.Action had been taken to ensure the current year allocation had been fully committed to ensure similar funding in future years.Bursary funding received from the ESFA for 2019/2020 had reduced by £23,978 to £795,981 (from the previous year's allocation of £817,063).Both the FE and HE Bursary Policies had been reviewed and the only recommended change was to increase the threshold for household income from £30,000 to £35,000, the former having remained unchanged for over 15 years.  **Resolved:**  **1. That the Student Bursary Fund Allocations for 2019/2020 be agreed.**  **2.That the revised FE and HE Student Bursary Policies be approved.** |
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| **23.19** | ***FE Commissioner Letter*** |
| ***Decision*** | The Finance and Resources Committee considered a letter, addressed to the Chair and Principals of FE Colleges, which covered a number of issues.However, one element of the letter indicated that all FE Colleges should have at least two financially qualified members on their Board. The letter had also been considered by the Audit and Governance Committee at their meeting on 18 June 2019.Whilst the Corporation currently complied with the guidance this would reduce to just one qualified Governor following the resignation of the Chair of Audit and Governance Committee on 31 July 2019.Officers reported on initiatives to seek a suitable replacement Governor.**Resolved:That the letter be noted.** |
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| **24.19** | ***Office for Students Letter*** |
| ***Decision*** | The Finance and Resources Committee considered a letter from Nicola Dandridge, Chief Executive, Office for Students, encouraging Colleges in a financially challenging environment to ensure financial viability and sustainability.  **Resolved:**  **That the letter be noted.** |
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| **25.19** | ***Timetable of Meetings*** |
| ***Decision*** | The Committee considered the proposed timetable of meetings for 2019/2020.The report had been considered at the Audit and Governance Committee on 18 June when it had been agreed to circulate the proposals to each Committee prior to consideration by the Corporation on 16 July 2019.  **Resolved:**  **That the proposed dates be noted.** |
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| **26.19** | ***Human Resources Report for the Period Ended 30 April 2019*** |
| ***Decision*** | Consideration was given to the Human Resources Statistics Report for the period ended 30 April 2019 which provided information on staff turnover, stability index and levels of staff sickness, together with areas for improvement and a report on actions taken and their impact.  Current turnover of staff was 17.47%, which was in line with the national average for north west colleges at 17.4%. The most common reason for staff leaving was recorded as salary level. It was also pointed out that some movement of staff was healthy to the organisation but turnover was being monitored carefully, particularly in areas of highest risk.  Overall short-term sickness levels were at 2.45% against a target of <3% with 7 members of staff on long term sickness against a target of <6.  The report also included details on the Gender Pay Gap published earlier in the year. The Deputy Principal, Resources, reported that the Government had recently published guidance on achieving equality in Gender Pay and informed the Committee that the College was initiating the majority of the guidance.  **Resolved:**  **That the Human Resources Report for the period ended 30 April 2019 be received.** |
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| **27.19** | ***Health and Safety Report for the Period Ended 30 April 2019*** |
| ***Decision*** | Members gave consideration to the Health and Safety Report for the period ended 30 April 2019 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.  Overall accidents had decreased by 32 compared to the same period last year and four accidents were RIDDOR reportable.Analysis indicated that of the 87 accidents –  16 (18%) were taken to hospital  38 (44%) received first aid treatment  33 (38%) needed no treatment  82% of accidents were either treated on site or required no treatment.  There were four RIDDOR reportable incidents and these would also be reported to the College Insurer in future.  The report included details of recent audits, training and drills.  At the request of Governors the report now included details of Insurance Claims, the majority of which related to vehicle accidents.  Following questions from Governors the Deputy Principal confirmed that there were no identifiable trends relating to the injuries or accidents.  **Resolved:**  **That the Health and Safety Report for the period ended 30 April 2019 be received.** |
| **28.19** | ***Deputy Principal, Finance and Corporate Services*** |
| ***Decision*** | The Chair referred to the recent notification of the resignation of Richard Morris, Deputy Principal, Finance and Corporate Services. He thanked Richard for his work for the College, his dedication to the role and commitment in producing the budget. He wished him well in the future with his new position.  Richard responded accordingly. |