

MINUTES

Finance & Resources Committee No 16

Date: *21/02/2017*
(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), Ian Higginbotham, Richard Furnival and Stuart Heys*

Attending: *John Wherry (Deputy Principal) and Paula Lister (Deputy Principal)*

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

Apologies: *Clare Platt (Vice Chairman), Ian Douglass (Chairman) and Sarah Ellis*

Public Minutes

Item number:
(and category)

07.17 *Attendance of College Management Staff and Appointment of Meeting Chair*
Decision

In the absence of the Chair and Vice Chair, following due process it was agreed, Stuart Heys would chair the meeting .
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 by invitation in an advisory capacity.

Resolved:

- 1 That Stuart Heys Chair the meeting.**
- 2 That College Management Staff attend the meeting.**

07.17 *Declarations of Interest*
Record

There were no declarations of interest received in respect of the items on the public agenda.

08.17 *Apologies for Absence*
Record

Apologies for absence had been received from Clare Platt, Ian Douglass and Sarah Ellis.

09.17 *Strategic Plan Report*
Consultation

Members gave consideration to the Strategic Plan Report for the Finance & Resources Committee and asked questions of Management:

We will continue to build and enhance our brand and reputation for excellence within the landbased & Sports sectors.

FE 16- 18 recruitment was ahead of target.
As members were aware HE recruitment had not met target which was a common trend across the sector.
Apprenticeship recruitment was as planned to date and there was potential for growth in the area.

We will provide an outstanding teaching and learning experience.
Key performance indicators around student feedback and delivery of the capital plan were being met.

We will deliver great value for money.

The financial key performance indicator statistics showed colleges to be performing at or above target with the exception of the surplus before interest and gross return on Myerscough Ventures. The reduced HE numbers impacted on the returns from Myerscough Ventures.

Resolved:

That the Strategic Plan Progress Report be received.

10.17 *Financial Position Statement for the Period Ended 31 January 2017*
Consultation

Consideration was given to the Financial Position Statement for the six months ended 31 January 2017.

The surplus as a percentage of income (pre FRS17) was 3.4% (10.3% January 2016) and the balance sheet remained healthy. There was a current ratio of 1:1.27 and cash days of 57.9.

Overall income to date was behind target by £269k (1.9%) and behind last year by £92k (1%).

The DP Finance & Corporate Services responded to questions and provided detailed information on the accounts.

At this point Education was £91k (0.9%) behind this year's target but £40k ahead of the same point last year. HE recruitment was still the main reason for being behind target but was being partially offset by increased FE income.

Members noted the report on investments was incorporated and that interest rates remained low.

Members enquired about detail regarding revenue and margin by area and requested a 5 year view to provide insight into trends.

Finance & Resources Committee noted a surplus despite income being behind targeted levels.

Resolved:

That the Financial Position Statement for the period ending 31 January 2017 be received and approved as submitted.

11.17 **Capital and Revenue Cash Flow for the Period Ended 31 January**
Consultation **2017**

Consideration was given to the Capital and Revenue Cash Flow for the period ending 31 January 2017 which was in line with expectations

The actual balance at the bank at 31 January 2017 was £4.493m against a forecast position of £4.461m.

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 statement detailing the capital and revenue cash flows for the period ending 31 January 2017 be received.

12.17 **Myerscough Ventures Report for the Period Ended 31 January 2017**
Consultation

Consideration was given to the Myerscough Ventures Financial Performance Report for the period ended 31 January 2017.

At the end of the period the income contribution from Myerscough Ventures was below profile providing a total contribution of £652k. With inclusion of the Farm, which was not part of Ventures but was routinely reported at this part of the meeting as a commercial activity, the total was £603k.

Contributions to overheads was shown after the allocation of the direct costs associated with the activity.

Myerscough Ventures continued to face the challenges of the current economic climate. Vacant bed spaces, as previously reported, had a detrimental impact not only on residency and catering but other Venture areas.

Equine Operations - The area was performing to budget.

Sports and Golf Academy - A significant contract with Blackpool Football Club had resulted in performance above target.

Residential Operations - Strategies in relation to recruitment and accommodation had been put in place in readiness for the next academic year though falling HE recruitment, increased local recruitment and the associated trend to travel to College presented a risk to fill bed spaces.

Catering Operations - The area was behind target due to a reduction in the number of residential students. Work continued to identify efficiencies.

Horticulture - The area was performing ahead of target, tours remained popular and the area had broadened its remit with sales of Myerscough Farm produce and vegetables through the retail outlet.

Stumble Inn - The area was behind target though weekend business was strong.

Events - The area was slightly behind target though summer bookings were strong.

The Committee noted the explanations and would update Corporation on performance at its meeting on 14 March 2017.

Myerscough Ventures continued to make a positive contribution to the College.

Resolved:

That the financial performance report on Myerscough Ventures for the period ended 31 January 2017 be received.

13.17

Consultation

Capital Expenditure Report for the Period Ended 31 January 2017

Total expenditure against the annual budget of £7,067k for 2016 / 2017 amounted to £2,241k at 31 January 2017.

The Committee noted progress made on the capital projects and that expenditure was within the agreed tolerance. Significant expenditure would pass through the accounts as work on the projects continued to schedule.

Resolved:

That the report on Capital Expenditure for the period ended 31 January 2017 be received.

14.17

Decision

Strategic Risk Register

Audit and Governance Committee had proposed a new format of the risk register. A Strategic Risk Register had been produced and operational risks would be reviewed by the relevant committees. The proposal had been endorsed by Corporation and as such Finance & Resources Committee was asked to review and consider the financial and college resource risks.

Members noted that Corporation would receive an overview of the highest risks across College so members could be assured that major concerns were at the forefront. Members sought assurance that the 'conversations' members had been having concerning current issues were expressed in the risk register rather than an overly generic approach. The Deputy Principal Finance & Corporate Services gave examples of how the risks were specific, e.g. Higher Education recruitment.

Members noted the risk registers were live documents and a standard agenda item at the weekly meeting of the Executive.

The document would be amended to place highest scoring risks at the top of the listing.

Members were asked to pass further thoughts to the Deputy Principal Finance & Corporate Services or the Clerk.

Resolved:

That the Risk Register relevant to the Finance & Resources Committee be received.

15.17
Decision

College Funding 2017/2018

The College receives its funding for its main FE delivery via two separate funding bodies, Skills Funding Agency (SFA) for apprentices and adults, and the Education Funding Agency (EFA) for students aged 16-18. The agencies work independently of each other to differing timescales and to different sets of rules.

EFA Update - The EFA contract allocation for 2016/17 provides funding for 1534 students with a value of £10,691,258. College had returned enrolled 1611 students which, under lagged funding rules, indicated a funding increase for 2017/18. In January 2017 the EFA provided some components for the contract allocation for 2017/18.

Included in the 2016/17 numbers were 140 'High Needs Learners', (increased from 100 in 2015/16) however, the actual number was currently 183. The opportunity to apply for growth was again taken and the College has been granted a total of 182 'High Needs Learners' for 2017/18.

Whilst the contract value in terms of student numbers and funding had not yet been confirmed by the EFA it was estimated that the

implications of the increased retention factor, cost weighting and HNF numbers alone could see a funding increase in excess of £300k.

Members noted that high needs funded learners had grown beyond expectations. Members were pleased to note provision was across the College curriculum offer and that where courses had places College was obliged to offer places to those who met the entry criteria.

Members also noted a high number of learners at the entry level courses who were in the high needs category and asked questions concerning College strategy in this area noting high needs funded learners made up around 5% of the income stream.

SFA Update - The SFA had not yet released any contract allocations for 2017/18.

Resolved:

That the College Funding 2017 / 2018 be received.

16.17
Decision

Tuition Fees 2017/2018

Finance & Resources Committee gave consideration to the proposed Further Education Tuition Fees for 2017 / 2018 for those students not entitled to grant funding. There were different recommendations made throughout the categories with the maximum proposed increase being 3%.

Members considered options to attract or redirect students to courses and requested a comparison with fees charged at other Colleges and, due to time constraints, authorised the Chair and Vice Chair to recommend any amendments and subsequently report to Corporation.

Members questioned whether it would be helpful to have knowledge of expected numbers of students attached to each heading.

In compliance to Consumer Protection Legislation, College would publish fees for tuition fees for 2017 / 2018 entrants.

Resolved:

That recommendations be reported to Corporation following a benchmarking exercise and consultation with the Chair and Vice Chair of the Committee.

17.17 ***Financial Regulations Annual Review***

Decision

Finance & Resources Committee gave consideration to the proposed amendments to the Financial Regulations which largely related to restructures of roles, changes relating to FRS102, the new SORP and procedures for processing higher financial transactions.

Resolved:

That the amendments to the Financial Regulations be endorsed.

18.17 ***Policy on Sub Contracting - Review***

Decision

Finance & Resources Committee gave consideration to the Subcontractor Policy & Procedures.

Members noted the updates included amended job titles and due to changes in legislative clauses, alterations strengthened the policy and reflected renewed guidance.

The policy aims to ensure all subcontracted provision is managed effectively and efficiently, whilst maintaining a focus on quality. The College recognises that effective subcontract arrangements provide communities with added value, whilst strengthening the College offer and widening impact.

Roles and responsibilities for the College and subcontractors are clearly defined and all subcontractors are required to agree and sign both a contract and service level Agreement.

In compliance with SFA funding rules the policy is reviewed each year by the Board.

Resolved:

That the Subcontractor Policy & Procedures be approved.

19.17 ***Students Union Constitution***

Decision

Finance & Resources Committee gave consideration to the Constitution for Myerscough Students Union. Changes reflected the Student President no longer being a remunerated sabbatical position but a member of the existing student community supported by an employed Student Liaison Officer.

Resolved:

That the Myerscough Student Union Constitution and Terms of Reference be approved.

20.17 *Human Resources Statistics for the Period Ended 31 January 2017*
Consultation

Finance & Resources Committee gave consideration to the report on Human Resources as at 31 January 2017.

Overall staff turnover was below national average. Of the staff categories support staff showed the highest turnover. There were still some areas College was having difficulty to recruit to.

Overall staff sickness statistics were ahead of target. Assurance was provided regarding confidentiality of staff members on long term sick leave.

The report includes elements of auto generated data which had previously involved manual calculations. Further plans were in place to continue with the auto generation of data including the sickness absence tool known as the Bradford Factor.

Resolved:

That the Human Resources Report be received.

21.17 *Senior Post Holders Grievance and Disciplinary Policies and Procedures*
Decision

The Committee gave consideration to the Senior Post Holders Grievance and Disciplinary Policies and Procedures which had been updated to comply with legislation and linked to the Governance responsibilities where dismissal and / or discipline of senior post holders may occur.

Resolved:

That Corporation be recommended to approve the amendments to the Senior Post Holders Grievance and Disciplinary Policies and Procedures.

22.17 *Health and Safety Report for the Period Ended 31 January 2017*
Decision

Finance & Resources Committee gave consideration to the report on Health and Safety as at 31 January 2017.

There was a decrease in reported accidents compared to the same period a year ago with slips, trips and falls being the most common cause. Year on year comparisons did not highlight any significant trends. Members received assurance on the follow up on near miss incidents.

There had been three RIDDOR reportable accidents, none of which required further investigation.

Health and Safety audits continued with Arboriculture and Residences achieving the expected 'Good' standard. Members were pleased to learn that the process was being positively received and was being used as a tool to promote good practice.

On the wellbeing agenda an awareness session for staff was being developed on how to recognise and deal with mental health issues. Other wellbeing activities and training continued to be rolled out to staff.

The Health & Safety Advisor utilised external events and had recently, with the Head of Greenspace, attended a LANDEX health & safety event at Hartpury College which included information on accidents in Agriculture/Forestry and strategies to prevent them.

Resolved:

That the Health & Safety Report be received.

23.17
Decision

Terms of Reference of the Finance and Resources Committee

At the last meeting the Finance and Resources Committee had been asked to consider if its Terms of Reference met needs. The Clerk and the Deputy Principal, Finance and Corporate Services, had reviewed Section 3 of the Terms of Reference and confirmed that the schedule matched the work of the Committee.

Resolved:

That the Terms of Reference of the Finance & Resources Committee be endorsed as submitted.

24.17
Record

Next Meeting

Members noted the next meeting of the Finance and Resources Committee would be held on Tuesday 6 June 2017.