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| **MINUTES** | | | | | | |
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| *Finance and Resources Committee No 29* | | | | | | |
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| Date: |  | *03/12/2019 (Tuesday)* |  | Time: |  | *18:00–20:00* |
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| Venue: |  | *Bowland Suite* |  | Committee: |  | *Finance and Resources* |
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| Notes: |  | *A voucher will be issued with the meeting notification enabling Governors to obtain refreshments from the College restaurant prior to the meeting. Tea and Coffee will be available in the meeting room.* | | | | |
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| Present: |  | *Alison Robinson (Principal), Clare James, David Hall, Ian Higginbotham (Chairman), John Morphet and Stuart Heys* | | | | |
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| Attending: |  | *Janet Whiteside (Deputy Principal), John Wherry (Deputy Principal) and Steven Downham-Clarke (Vice Principal)* | | | | |
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| Clerks: |  | *Ron Matthews (Clerk)* | | | | |
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| Guests: |  | *Karen Musgrave (External Auditor)* | | | | |
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| Apologies: |  | *Richard Furnival (Vice Chairman)* | | | | |
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| ***Public* Minutes** | |
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| Item number: | Item description: |
| (and category) |  |
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| **75.19** | ***Attendance of College Management Staff and External Auditors*** |
| ***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.  The Chair welcomed the external auditor, Karen Musgrove, to the meeting.  **Resolved:**  **That** **College Management Staff and a representative of the External Auditors attend the meeting.** |
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| **76.19** | ***Apologies for Absence*** |
| ***Record*** | Apologies for absence had been received from Richard Furnival and Stuart Heys. |
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| **77.19** | ***Public Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Finance & Resources Committee meetings number 28 held on 24 September 2019 (published on the extranet) were agreed and signed as a true and correct representation of the meeting. |
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| **78.19** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **79.19** | ***Strategic Plan Progress Report*** |
| ***Decision*** | The Committee considered the Strategic Plan Progress Report for the Finance and Resources Committee.  Alongside the report they referred to the Financial Statements and Audit findings reports at 87.18. The key performance indicators related to recruitment, the Capital Plan, Human Resources Statistics and financial performance.  Recruitment for students aged 16 to 18 would reach target once partnership numbers had been added.  This would secure income for the next academic year as funding was lagged, which in turn meant the income for this academic year would remain unaffected.  HE numbers would be on target once recruitment to the second semester was completed.  Myerscough Ventures contribution was behind target. Residential numbers were down on last year with a significant drop in demand for two-bedded accommodation which also impacted on catering income. Farm income was being closely monitored and was currently in line with deficit to date. The Farm Action Plan was included in the Ventures report together with the Lancashire Enterprise Partnership Progress Report following their contribution to the farm improvement works.  Apprenticeship provision would be reported later in the meeting.  In relation to the Capital Plan the profile for the next twelve months showed that the proposals were affordable and within the identified timescale. The report also indicated that the capital plan projects were meeting targets.  **Resolved:**  **That the Strategic Plan Report be received.** |
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| **80.19** | ***Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2019 and the Audit Findings Report*** |
| ***Decision*** | The Committee considered the above documents which also included the draft Findings Report for the year ended 31 July 2019, together with the draft Auditors Report & Financial Accounts for the same year. Karen Musgrave, of RSM External Auditors was present at the Committee and presented the report.  The Audit Findings report highlighted the following key points   * RSM had nothing to report in respect of additional audit, accounting and regularity issues identified during their audit and regularity work. * No unadjusted or adjusted misstatements in the financial statements. * Gave a true and fair view of the state of the College’s affairs as at 31 July 2019. * Had been properly prepared in accordance with United Kingdom Generally Accepted Accounting.   Karen Musgrove thanked Janet Whiteside and her team for the assistance given during the audit.  The Committee thanked Karen for her presentation and work on the audit.  **Resolved:**  **That the Financial Statements and Audit Findings Report for the year ended 31 July 2019 be accepted as presented and recommended to Corporation for approval.** |
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| **81.19** | ***Myerscough College Financial Plan 2019 - 2021 and Financial Health*** |
| ***Decision*** | The Education and Skills Funding Agency had received the College's Financial Plan for 2019 - 2021 and confirmed the Financial Health of the College remained 'Good'.  They had also forwarded a financial dashboard comparing the College performance nationally.  The financial dashboard incorporated key performance indicators and measured those against target benchmarks and benchmarks achieved in the sector.  Members noted a positive report.  **Resolved:**  **That the Financial Plan 2019 - 2021 be received.** |
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| **82.19** | ***Financial Position Statement for the Period Ended 31 October 2019*** |
| ***Decision*** | The Committee received the above report on various aspects of the College finances for the period ended 31 October 2019.  Overall income to date was lower than budget by £285k (3.7%) but above last year by £255k (3.5%). The main areas contributing to this figure were Education, including sub-contracting income, £207k (3.8%) less than budget and the Apprenticeship and Skills income, including subcontracting £63k (9.2%) less than budget. Ventures income was £52k (3.6%) below budget with other generating activities above budget by £25k(17.2%).  Direct pay costs at £135k (4.5%) and non-pay at £69k (5.4%) were both favourable to the budget provision.  The balance sheet remained strong at £7.6m and a current ratio of 1:1.27 and cash days of 79. Current surplus equated to 7% of income.  A revised end of year forecast, presented to the Governor briefing on Apprenticeship Provision prior to the Committee, had been added to the agenda. This indicated that, in a worst case scenario, the forecast deficit had increased from £156,046k to £298,982k. Management outlined what action was being taken to obviate this figure.  In relation to the Capital Plan the profile for the next twelve months showed that the proposals were affordable and within the identified timescale. The report also indicated that the capital plan projects were meeting targets.  The Committee also considered a request from the Audit and Governance Committee to review any potential savings through early redemption of College deficits on the Local Government Pension Scheme. The Interim Deputy Principal, Finance and Corporate Services, reported that there was not a viable financial option to redeem a level of deficit that would result in a reduction of the annual contributions.  **Resolved:**  **That the report be received.** |
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| **83.19** | ***Myerscough Ventures Report for the Period Ended 31 October 2019*** |
| ***Decision*** | Myerscough Ventures contribution was £52k (3.6%) below budget with other generating activities above budget by £25k (17.2%). Residential numbers were down on last year with a significant drop in demand for twin-bedded accommodation which also impacted on catering income.  Farm income was being closely monitored and was currently in line with deficit to date. The Farm Action Plan was included in the Ventures report together with the Lancashire Enterprise Partnership Progress Report following their contribution to the Farm improvement works.  **Resolved:**  **That the Myerscough Ventures report be received.** |
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| **84.19** | ***FE Tuition Fees 2020/2021*** |
| ***Decision*** | Members gave consideration to the proposed Further Education full and part time Tuition Fees for 2020/21 for Adult Learners, overseas students and students expected by the ESFA to co-fund their course fee.  The proposal was for increases to be in line with inflation where appropriate, with fees not exceeding the Advanced Learner Loan (ALL) maximum published by the ESFA.  **Overseas Students** proposed increase 2.1% to £6,585.  **Co-Funded Learners**  For any adult on a full time FE course that is subject to co-funding the learner was currently required to pay £1,370 with a proposed increase to £1,399.  Students Eligible to apply for an Advanced Learner Loan (ALL) were subject to a maximum amount set by the ESFA. The ESFA did not increase the maximum amounts for 2018/19 or 2019/2020 and has not published notification of any increases for 2020/2021. In the event that ALL maximum amounts are increased the College will seek to increase fees, subject to price sensitivity.  Fees and curriculum for part-time courses are kept under review and will be set to maximise income, recognising market price sensitivities and maintaining a 50% contribution to College overheads.  **Resolved:**  **That the FE Tuition Fees be commended to Corporation for approval.** |
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| **85.19** | ***Capital Expenditure Report as at 31 October 2019*** |
| ***Decision*** | Finance & Resources Committee considered the Capital Expenditure Report to 31 October 2019.  Total expenditure against the annual budget of £1,138k for 2019/2020 amounted to £252k at 31 October 2019.  The Committee noted the detail and progress made on the capital projects and that the report was in line with expectations and to agreed tolerances.  **Resolved:**  **That the report be received.** |
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| **86.19** | ***Myerscough Student Union Accounts for the year Ended 31 July 2019*** |
| ***Decision*** | Consideration was given to the Student Union annual accounts for the year ended 31 July 2019. The MSU receives £8,550 from College funds for the academic year.  The MSU accounts showed a surplus of £2,195.08. The reserves showed a healthy balance of £22,110.86   The Committee expressed satisfaction with the accounts.  **Resolved:**  **That the Myerscough Student Union Audited Annual Accounts for the year ending 31 July 2019 be approved.** |
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| **87.19** | ***Statutory Risk Register*** |
| ***Decision*** | Members considered those elements of the Risk Register applicable to Finance & Resources Committee.  They had been developed to provide a summary page which detailed updates and trends. A risk appetite statement was included as was the assessment framework that had been developed and was included to ensure consistency of scoring for inherent and residual risk.  There had been increases to some risks and new ones were added.  **Resolved:**  **That the Statutory Risk Register for Finance & Resources Committee be received.** |
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| **88.19** | ***Overseas Visits Policy - Review*** |
| ***Decision*** | The Committee considered the review of the Overseas Visits Policy.  The only changes made were those necessary for any changes of title etc.  Members noted the Board's responsibility for approval in advance of overseas travel being booked and paid for and expressed satisfaction in the policy and procedures.  **Resolved:**  **That the Overseas Visits Policy be approved**. |
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| **89.19** | ***Human Resources Report for the Period Ended 31 October 2019*** |
| ***Decision*** | The Committee considered the above report which contained analysis of staff turnover, breakdown analysis of leavers, staff stability index and staff sickness statistics for the year up to 31 October 2019.  The Committee noted that staff turnover was currently better than target at 16.03% and also better than the AoC benchmark. Overall staff sickness was being closely monitored and was better than the target of less than 3%. The AoC benchmark was also 3%. Long term sickness of 5 employees was also better than target.  **Resolved:**  **That the report be received.** |
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| **90.19** | ***Health and Safety Report for the Period Ended 31 October 2019*** |
| ***Decision*** | Members considered the Health and Safety Report for the period ended 31 October 2019 which included a summary of key strengths, areas for improvement, actions taken and further actions planned.  Accident statistics had not identified any particular concerns and no RIDDOR reportable accident had occurred during the period of the report.  Many staff had taken advantage of the free flu injections.  **Resolved:**  **That the report be received.** |
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| **91.19** | ***Finance and Resources Committee Terms of Reference*** |
| ***Decision*** | In line with the Code of Good Governance the Finance and Resources Committee reviewed its Terms of Reference and concluded that they remained fit for purpose.  **Resolved:**  **That the Finance and Resources Committee confirm that their Terms of Reference remain fit for purpose.** |
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