

MINUTES

Finance & Resources Committee No 6

Date: *08/09/2015 (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) and Stuart Heys*

Attending: *Janet Whiteside and John Wherry (Deputy Principal)*

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

Public Minutes

Item number: Item description:
(and category)

55.15 **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 be invited to attend the meeting.

56.15 **Apologies for Absence**
Record All members of the Committee were present

57.15 **Public Minutes of the Previous Meeting**
Decision The public minutes of Finance & Resources meeting number 5 held on Tuesday June 2015 were confirmed and signed as a true and correct record.

58.15 **Declarations of Interest**
Record Members of the Committee were asked to declare any interests they may have in respect of items on the public agenda. No declarations were made.

59.15 **Election of Chair and Vice Chair**
Decision Section 9 of the current Constitution and Terms of Reference for the Finance and Resources Committee states:
9.1 *The Committee shall have both a Chair and Vice Chair.*
9.2 *Both Chair and Vice Chair will be determined and appointed by the members of the Committee.*
9.3 *The Chair of the Corporation may not be appointed Chair of the Committee*
9.4 *Both the Chair and Vice Chair shall serve for one year.*
9.5 *The Chair and Vice Chair shall be eligible for re-election*

The previous Chair had indicated he did not wish to be considered for re-election. Members and staff thanked him for his contributions and

leadership and continuing service as a member of the Finance & Resources Committee. Following due process it was

Resolved:

- i. **That Ian Douglass, previously Vice Chair of the Committee, be appointed Chair of Finance & Resources Committee**
- ii. **Clare Platt be appointed Vice Chair of the Finance & Resources Committee.**

60.15

Consultation

Strategic Plan Progress Report

Finance & Resources Committee gave consideration to the final Strategic Plan report for the Committee for academic year 2014 / 2015 which showed performance against specific targets relating to recruitment, a range of feedback results, research and financial targets.

Finance & Resources Committee raised a question concerning Higher Education student feedback on course resources which showed a downward trend and had missed target. The Management response indicated that other surveys had indicated localised concerns which were being examined and acted on.

Members were pleased to note there were a further 200 active business engaged with the College.

The Committee expressed satisfaction with the report.

Resolved:

That the Strategic Plan Progress Report be received

61.15

Consultation

Strategic Plan Targets for 2015 / 2016

Finance & Resources Committee gave consideration to the proposed Strategic Plan Targets for 2015 / 2016.

The Committee received explanations concerning the targets noting the cut in adult classroom based funding and its impact on targeted recruitment. Growth of 16-18 student numbers was targeted. Research income had grown beyond expectations in the previous year, a further small increase was targeted, according to the agreed budget. The aspiration was for continued growth in this area.

The Committee was satisfied with the financial targets and noted the expected drop from a financial Health of 'Outstanding' to 'Good' was planned with all necessary approvals in place to enable the College to

continue the Capital Development programme. Reference to the planned drop would appear in the Members Report so illustrating the managed approach.

The number of active businesses had increased beyond target in the previous year. Members asked that the targeted figure for 2015 / 2016 be increased. After discussion where quality and allocation of resources were considered the figure was agreed at 1400.

It was noted College continued to target for sickness absence to be below 3.8%; showing that where possible all targets were set in line with benchmarks better than national average.

The loan repayment cover figure would be included in future reports.

Resolved:

That the Strategic Plan targets for 2015 / 2016 incorporating the agreed amendments be approved.

62.15

Consultation

Financial Position Statement for the period ended 31 July 2015

Consideration was given to the Financial Position Statement for the twelve months ended 31 July 2015.

The management accounts showed the College had generated a surplus which had exceeded budget. The surplus as a percentage of income (Pre FRS17) was 5% which would ensure a surplus would be recorded after adjustments to the accounts from the FRS17 accounting charge. The charge was considerably lower than previous years at £253k (previous year £499k) and was a non cash charge to the I and E account and corresponding balance sheet entries was an increased liability of £1.8m..

The balance sheet remained healthy with the cash position remaining strong. The current ratio was 1:1.2 and cash days amounted to 54.10.

No material uncertainties leading to significant doubt over Myerscough being a 'Going Concern' had been identified. The figure for staff direct costs including subcontracted staff costs as a percentage of income was discussed and members were pleased to note that the budgeted pay review had been afforded through efficiency savings. It was requested an extra reconciliation be included in management information to show the movement in reserves.

The outcome provided a score of 'Outstanding' for financial health.

College was on target to deliver the forecast outturn.

After due consideration the Committee concluded that the accounts continued to show the College was in a sound financial position and objectives had been achieved.

Resolved:

That the Financial Position Statement for the period ended 31 July 2015 be accepted and approved as submitted subject to final accounting adjustments.

63.15

Consultation

Investment Report

Consideration was given to the report on investments for the twelve months ended 31 July 2015.

Total cumulative interest received on cash balances at the bank amounted to £29,316 at 31 July 2015. The total cash invested at the bank amounted to £4,043m, which included £11,559 invested in the Euro account held by College as Lead partner in a Leonardo project. Monies from this account would be transferred to Partners and to the Colleges current account in line with funding claims.

Resolved:

That the statement detailing investment funds including interest to 31 July 2015 be received.

64.15

Consultation

Capital and Revenue Cash Flow for the period ended 31 July 2015

Consideration was given to the Capital and Revenue Cash Flow for the period ending 31 July 2015 which was in line with the Financial forecast. The fluctuations reflected the uneven receipts through funding bodies. The agreed capital expenditure was averaged out over twelve months as the exact profile had not yet been determined. Expected peaks and troughs would be reflected in the next report.

Resolved:

That the statement detailing the capital and revenue cash flows for the period ending 31 July 2015 be received.

65.15

Consultation

Myerscough Ventures Report to 31 July 2015

Finance & Resources Committee gave consideration to the Myerscough Ventures financial performance report based on the management accounts for the twelve months ended 31 July 2015.

The contribution excluding the Farm was on profile £1,815,844. With inclusion of the Farm, the contribution dropped to £1,785,412, the Farm being 30k behind profile.

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

All areas showed a positive contribution apart from the Farm, though 'Events' and 'Sports and Golf Academy' incomes were below target.

In response to Governors questions it was noted that Events bookings had been received but the volumes within some events had dropped resulting in reduced income. The area continued to receive positive feedback from organisations and individuals but it had been noted that the rural location did not always work in Myerscough's favour as some organisations, language schools in particular, look for a more urban setting with facilities on the doorstep.

The Sports & Golf academy had a mid year refurbishment in response to feedback which affected targeted income. There was increased competition in the immediate area though the College had received some positive feedback from returning members.

Residential operations exceeded target. As part of the capital build another 40 beds would be available from next September. Members were mindful that the College needed to maintain a competitive residency fee.

Resolved:

That the Financial Performance Report on Myerscough Ventures for the period ended 31 July 2015 be received as submitted.

66.15

Consultation

Capital Expenditure Report

Finance & Resources Committee noted that the projects were being delivered within agreed parameters and within time frames. There was 0.92% variance between the total 2014 / 2015 budget and the forecast outturn.

The Veterinary Nursing building had been completed under budget.

After full discussion the Committee expressed its continued satisfaction with the progress made on the projects.

Resolved:

That the Capital Expenditure Report to 31 July 2015 be received.

67.15

Going Concern

Decision

"Going Concern' is a fundamental accounting concept for the preparation of financial statements. Corporation was required to satisfy itself that it would be reasonable to prepare the College's financial statements on a 'Going Concern' basis.

Following consideration of the report the Committee concluded that no material uncertainties had been identified leading to significant doubt about 'Going Concern'. A statement to this effect would be included in the financial statements

Resolved:

That Finance Committee recommended the assumption of 'Going Concern' in the preparation of the Colleges Financial Statements.

68.15

Overseas Visits Annual Report for the Year ended 31 July 2015

Consultation

Consideration was given to the Report on Overseas Visits for the Year Ended 31 July 2015. The contributions from third parties resulted in a cost to the College of £9,143 for 25 overseas visits to the value of £183,859. The report indicated the participation of students. Following due consideration Finance & Resources Committee agreed the overseas trips provided worthwhile opportunities and experiences for the students and for those involved in research and networking on an international level.

Resolved:

That the Overseas Visits Annual Report for the Year Ended 31 July 2015 be received

69.15

Change of Signatory

Decision

The relevant documents were presented and signed to formerly remove Jennifer Eastham, previous DP Finance & Funding from signatory responsibilities. Approval was also received to add the incoming DP

Finance & Corporate Services, Paula Lister as a signatory for the relevant documents upon commencement of her post.

Resolved

That the documents be signed to change signatories

70.15

Information

Lancashire County Pension Scheme

The Lancashire County Pension Scheme had announced a partnership agreement with the London Pension Fund Authority. The former Deputy Principal, Finance and Funding, had submitted a number of questions regarding the Partnership the responses to which were shared with members.

Resolved

That the above report be noted.

71.15

Information

College Funding 2015 / 2016

Finance & Resources Committee gave consideration to the College Funding 2015 / 2016 Report.

As anticipated there was a reduction in funding to support classroom based activity with the Adult Skills budget being cut by £22.5k. Members also noted a cut of £4,964 to the discretionary learner support fund meaning less funds available to allocate to students suffering 'hardship', this however did not affect the operating income. It was reported that the affect to Myerscough was less than to many other Colleges.

The Committee engaged in conversations around strategic interest and area reviews.

Resolved:

- i. **That the reduction in funding to support classroom based adult delivery be noted.**
- ii. **That the budget agreed by the Corporation in July 2015 remain unchanged and therefore there was no requirement to submit a revised Financial Forecast to the Skills Funding Agency in September 2015.**

72.15

Health and Safety Policy

Decision

The Health and Safety Policy and Procedure was presented to Finance & Resources Committee following management review.

Questions were posed which satisfied the Committee of effective management and procedures in this area which was under continuous review. The questions concerned embedding of equality and diversity elements throughout the procedures, relationship to the Safeguarding Policy and on point 13 of the policy statement assurance that relevant procedures indicated subcontractors work to Myerscough Standards.

Resolved:

- i That the Health & Safety Policy Statement be approved**
- ii That the procedures attached to the Health & safety Policy be noted**

73.15

Annual Cycle of Business

Decision

Finance & Resources Committee gave consideration to the Annual Cycle of Business for the Finance & Resources Committee noting the addition of an item on Trade Debt levels to be considered at the June meeting.

Resolved

That the Annual Cycle of Business be approved.

