

MINUTES

Finance and Resources Committee No. 9

Date: *23/02/2016 (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 (Vice Chairman), Ian Douglass (Chairman), Ian Higginbotham, Richard Furnival (Co-opted Member), Sarah Ellis (Co-opted Member) and Stuart Heys*

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

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

Public Minutes

Item number: Item description:
(and category)

- 01.16** ***Attendance of College Management Staff***
Decision 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 in an advisory capacity.
- Resolved:**
- That College Management Staff be invited to attend the meeting.**
- 02.16** ***Apologies for Absence***
Record All members of Finance & Resources Committee were in attendance.
- 03.16** ***Public Minutes of the Previous Meeting***
Decision The public minutes of the Finance & Resources Committee held on 25 November 2015 were signed and agreed as a true and correct record of the meeting.
- 04.16** ***Declarations of Interest***
Record There were no declarations of interest made in respect of items on the public agenda.
- 05.16** ***Strategic Plan Progress Report***
Consultation Consideration was given to the Strategic Plan Progress Report 2015 / 2016 which summarised progress against targets relevant to the Finance & Resources Committee.
- We will continue to build and enhance our brand and reputation for excellence within the land-based & sports sectors**
- Recruitment had fallen short of targets in all areas:
- Further Education** - As previously documented College did not expect to recruit to the further education allocation. The complexities of the funding methodology had meant a significant increase in funded students which were not likely to be recruited. However, the income is not subject to clawback and will be utilised for non recurrent expenditure inline with the budget. Finance & Resources Committee

noted much recruitment activity within College to attract applications and convert these to actual enrolments.

Higher Education - Recruitment was narrowly missing target. High retention should mean income targets would be achieved.

Apprenticeships and Skills -Management restructuring was strengthening and stabilising the team. Further numbers were expected as many of the industries preferred to recruit in Spring on these roll on roll off programmes, though it was not expected College would achieve recruitment target for older apprentices.

Member questions prompted discussions around educational offers, demographics and recruitment and retention activities.

We will provide an outstanding teaching and learning environment.

Members welcomed the inclusion of induction survey results which indicated high student satisfaction. They also welcomed increased reporting on 14-16 education. The capital plan was being delivered to budget. Overall sickness absence had dropped and was comfortably ahead of target.

We will deliver great value for money

The financial targets were met apart from the contribution from Myerscough Ventures which was recorded as amber on the "traffic light" system and was reported on in detail later in the meeting.

Resolved:

That the Strategic Plan Progress Report 2015 / 2016 to the Finance Committee be received.

06.16

Consultation

Financial Position Statement for the Period Ended 31 January 2016

Consideration was given to the Financial Position Statement for the six months ended 31 January 2016.

The surplus as a percentage of income (pre FRS17) was 10.3% (8.9% January 2015). The balance sheet remained healthy. There was a current ratio of 1:1.37 and cash days of 54.4. College was reporting a strong surplus which though 1.4% behind profile was 18% higher than for the same period last year.

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

Educational income recorded as below target as College took a prudent view and held back the release of 10% into the budget prior to receiving

finality on directly funded higher education places. Information would be received by the close of April, Members noted all associated costs had been included.

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

Resolved:

That the Financial Position Statement for the Period Ended 31 January 2016 be received and approved as submitted.

07.16

Consultation

Investment Funds Including Interest to 31 January 2016

Consideration was given to the report on investments for the period ended 31 January 2016. Total cumulative interest received on cash balances amounted to £11,834 at 31 January 2016. The total cash invested amounted to £4,181,601 at 31 January 2016 with deposits in four separate accounts. The Barclays Euro account was also listed in the report which included deposits referenced to partner institutions of a Leonardo Project.

Resolved:

That the statement detailing investment funds including interest to 31 January 2016 be received.

08.16

Consultation

Capital and Revenue Cash Flow for the Period Ending 31 January 2016

Consideration was given to the Capital and Revenue Cash Flow for the period ending 31 January 2016.

Finance & Resources Committee noted the inclusion of the capital development projects with some capital added back in from the Local Education Partnership (LEP) linked to the Food and Farming Innovation and Technology Centre (FITT) Centre.

Resolved:

That the statement detailing the capital and revenue cash flows for the period ending 31 January 2016 be received.

09.16

Consultation

Myerscough Ventures Report for the period ended 31Jan 2016

Consideration was given to the Myerscough Ventures financial performance report for the six months ended 31 January 2016.

At the end of six months the income contribution from Myerscough Ventures provided a total contribution of £832k to the College against a target of £906k. With the inclusion of the Farm the contribution increased to £881k.

The variance is spread across the activities with only Equine operations being ahead of target.

For Events, there had been some changes away from regular bookings as previous customers, though satisfied with the service, looked to city locations. New language schools were being signed up to replace the previous contracts.

Residencies was behind profile due to lower occupation though this was being mitigated through utilisation for students on block release courses. Members questioned the shortfall and noted benchmarking activity to ensure a competitive pricing structure. Explanations were provided around different types of accommodation, rules around under 18 provision, most desired style of accommodation and the need to upgrade. Finance & Resources Committee referred to the current building of further accommodation through the capital plan and expressed satisfaction with management responses.

Sport and Golf Academy - The facility was increasingly being used for student enrichment activities which had led to reduced opportunities for external bookings. Golf membership had declined and the course had been affected by the adverse weather conditions. Members noted a changing market place in the golf industry with clubs no longer having waiting lists.

The Farm was performing well and currently exceeding the target margin, though this performance was not expected to be maintained.

Resolved:

That the Financial Performance Report on Myerscough Ventures for the period ended 31 January 2016 be received.

10.16

Consultation

Capital Expenditure Report – 31 January 2016

Consideration was given to the Capital Expenditure Report to 31 January 2016 which was running slightly behind plan. There had been some planning issues which had led to a three month delay on the Residencies build, these would not be completed to the time scale.

The Local Education Partnership (LEP) decision making process had also caused delays to the FITT Centre project. The timing issues were being managed and viewed as 'mild' issues.

As a result of the delays the total expenditure only amounted to £2,507k at 31 January 2016 which was a lower spend than forecast. The forecast outturn of agreed projects of £17,331k was within the agreed tolerance of 3% at 0.96%. Information on funding sources was provided for the Committee.

Resolved:

That the Capital Expenditure Report for the period to 31 January 2016 be received.

11.16

Consultation

College Funding 2016/2017

Finance & Resources Committee gave consideration to the College Funding update for 2016 / 2017 which included information on the key elements of the Education Funding Agency (EFA) contract and a revised allocation for the 2015 / 2016 Skills Funding Agency (SFA) allocation.

EFA Contract - As members had been made aware there would be a reduction in numbers funded places and the value of the contract. The value had not been confirmed but estimates predicted a £300k reduction.

SFA Update - For 2014 / 2015 delivery had exceeded the contract. In February 2016 the SFA released an additional allocation of £130,686 for 16 - 18 apprentices for the year 2015 / 2016 taking the total contract to £3,047,728.

Resolved:

That the funding update be received.

12.16

Decision

FE Tuition Fees 2016/2017

Finance & Resources Committee gave consideration to the Residential Fees and Further Education Tuition Fees for 2016 / 2017. A maximum of 3% increase was proposed for both full and part time courses and all residential accommodation apart from self-catering single ensuite rooms which was being held at the 2015 / 2016 rate. It was these rooms where there had been vacant bed spaces. Members referred to their discussions earlier in the meeting on the residencies when considering the Myerscough Ventures Report and Capital Development Plan.

To ensure compliance to the new Consumer Protection Legislation, College was required to publish fees for Residential accommodation and FE tuition for 2016 / 2017 entrants as early as possible.

Finance & Resources Committee noted the external benchmarking that had taken place and considered the student perspective in their discussions.

Resolved:

- i. **That the maximum of 3% to FE tuition fees be endorsed.**
- ii. **That the Residential fees with no change for single en-suite rooms and a maximum of 3% to all other accommodation be endorsed.**

13.16 ***Financial Regulations - Annual Review***

Decision

Finance & Resources Committee gave consideration to the proposed amendments to the Financial Regulations which reflected restructures of roles, delegation of appropriate authority, adherence to procurement regulations policy and capitalisation policy.

Resolved:

That the amendments to the Financial Regulations be endorsed

14.16 ***Area Review - Lancashire Colleges Group***

Decision

As part of the Area Review process for post 16 education, Lancashire Colleges had agreed to jointly commission RCU Ltd to carry out an analysis of the Colleges provision within Lancashire, Blackpool and Blackburn. This work would include all Lancashire Colleges, except St Marys Sixth Form College, Blackburn, who had opted out. The cost was £3,500 per college, the full cost being met by the Group. The analysis was to be split into Pennine and Coastal Lancashire in line with the Area Review proposals and completed by mid-March to inform the next Corporation event in mid-April.

Resolved:

That the decision to participate in the Lancashire Colleges commission of RCU Ltd to the sum of £3,500 per College be endorsed.

15.16 ***Policy on Sub Contracting - Review***

Decision

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

Subcontractors are providers delivering education or training on behalf of the College. This includes all subcontractors listed in the Skills Funding Agency (SFA) Declaration of Subcontractors and Education

Funding Agency (EFA) funded subcontracting activity, as notified to the EFA. To manage risk College only works with reputable providers who meet the requirements of the Colleges due diligence process College holds full accountability for the delivery of subcontracted activity, both College and subcontractors refer to the SFA and EFA funding rules. The aim of the policy is to ensure that all subcontracted provision is managed effectively and efficiently, whilst focusing on quality. The College recognises that effective subcontracts 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 would be reviewed each year by the Board

Resolved:

That the Subcontractor Policy & Procedures be approved.

16.16

Decision

Human Resources Report as at 31 January 2016

Finance & Resources Committee gave consideration to the report on Human Resources as at 31 January 2016.

Overall staff turnover was below national average. Of the staff categories teaching staff showed the highest turnover. The stability index had declined slightly as a number of the leavers were experienced staff. Members recalled the investment in staff through the rebanding of salaries, CPD initiatives and introduction of annual appointments of senior lecturers to provide an attractive Myerscough package with progression opportunities within the organisation. There would always be some movement of staff with both internal and external progression. The movement of teaching staff would continue to be closely monitored with regular reporting to the Board.

Motorsports continued to be a key challenge for teaching staff recruitment.

Activities in the Wellbeing Strategy continued to be rolled out A staff survey would be issued in April 2016.

Resolved:

That the Human Resources Report be received

17.16 *Health and Safety Report as at 31 January 2016*

Consultation

Finance & Resources Committee gave consideration to the report on Health and Safety as at 31 January 2016.

Reported accidents remained as of last year with slips trips and falls being the main cause. Two RIDDOR reportable accidents occurred one of which required further investigation.

Reporting of accidents from the Skills and Apprentices area would receive focus and new audit procedures were to be piloted in one curriculum and one support area.

Governors noted that Schools and Colleges were reporting 'Nitrous Oxide Canister's' (often referred to as 'widgets') being found on and around their premises. Many users still see this as a 'trendy and safe substance' to use and it is now ranked the second most popular recreational substance behind Cannabis. Although not considered to be a major problem at Myerscough, residency have reported a number of these canisters being found on campus.

Resolved:

That the Health & Safety Report be received.

18.16

Record

Next Meeting

The next meeting of the Finance & Resources Committee is being held on Tuesday 7 June 2016. The closing date for agenda items is Tuesday 27 May 2016

