

MINUTES

Finance and Resources Committee No. 14

Date: *22/11/2016*
(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, Sarah Burdaky and Stuart Heys*

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

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

Guests: *Anna Spencer Gray (External Auditor)*

Public Minutes

Item number:
(and category)

94.16 ***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.

Resolved:

That College Management Staff and a representative of the External Auditors attend the meeting.

95.16 ***Apologies for Absence***
Record

All members of the Committee were in attendance at the meeting.

96.16 ***Public Minutes of the Previous Meeting***
Decision

The public minutes of the Finance & Resources Committee meetings held on 6 and 27 September 2016 (published on the extranet) were signed and agreed as true and correct records of the meeting.

97.16 ***Declarations of Interest***
Record

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

98.16 ***Strategic Plan Report***
Decision

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 recruitment targets had been met so protecting the next year's income stream as funding was lagged. Exceeding numbers would not lead to increased income in year. The final count would be submitted by 30 November 2016 and with some numbers still to come in from subcontracted provision there was opportunity to receive an increased allocation for 2017 / 2018.

HE recruitment had not met target.

Apprenticeship recruitment was as planned to date.

We will provide an outstanding teaching and learning experience

Key performance indicators around feedback, delivery of capital plan and staff sickness were being met

We will deliver great value for money

The financial key performance indicator targets were at or above target with the exception of Myerscough Ventures which was discussed later in the meeting.

Resolved

That the Strategic Plan Progress Report be received.

99.16 Decision *Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2016 and Audit Findings Report*

Finance & Resources Committee was asked to consider and recommend the Report and Financial Statements for the year ended 31 July 2016 to Corporation for approval.

The Audit Findings Report for the year ended 31 July 2016

This document was provided for members' information and had been considered and commended to Corporation by the Audit & Governance Committee at their meeting on 2 November 2016. The external audit representative, Dale Thorpe went through the Findings Report for the benefit of the Committee.

The Auditor confirmed RSM would sign the Opinion on the Financial Statements.

The Auditor confirmed RSM would sign the regularity conclusion. Both statements were lodged within the "Myerscough College Report and Financial Statements for the year ended 31 July 2016", pages 26 and 53.

Three adjustments were made which were reclassifications on the balance sheet, concerning a transfer of marketing costs and exam fees from teaching to non teaching, and a re-allocation of non-funding body grant release. None had any impact on the financial position of the College being simply reclassifications of the costs. there were no recommendations made for the current year.

The draft Annual Accounts and Members Report for the year ended 31 July 2016

The document had been presented to the Committee's previous meeting as the pre-audited accounts. The headline figures reported to the meeting had not changed.

The external audit representative talked through the document with members discussing matters and asking questions throughout.

The draft Report and Financial Statements for the year ended 31 July 2016 had been prepared under the new FE & HE Accounting Standard, Members noted disclosure of Corporation performance which was a new requirement. This was stated in the section, 'Statement of Corporate Governance and Internal Control' The income and expenditure account was now known as the statement of comprehensive income. There were subtle changes in headings and wordings. The cash flow showed strong operational performance of the College.

The statement concerning the College's regularity, propriety and compliance with the funding bodies terms and conditions was noted and would be signed by the Chair of Corporation and the Principal.

Consideration to the accounts was detailed and took into account the wider picture.

The increase in pension deficit had risen due to an actuarial assumption change. This was beyond the control of the College and did not amount to an actual charge. In the long term the College could take this into consideration through looking at the mix and demographic of the staff base.

During discussion it was concluded that the accounts presented a sound financial position and reflected the management accounts as presented throughout the year.

The Auditor commented that the audit had been a smooth process and commended the College's preparations and quality of work with information produced to a high standard. In turn Management passed thanks to the auditors, noting the professionalism of the team and acknowledging constructive discussions.

Members expressed satisfaction with the discussions and agreed an external audit representative would not be required to be in attendance at the Corporation meeting on 13 December 2016 when the accounts would be presented for final approval by the Chair of Finance & Resources Committee.

Resolved:

That the audited Annual Accounts and Members Report for the year ended 31 July 2016 be commended to the Corporation for approval.

100.16 Student Union Annual Accounts for the Year Ended 31 July 2016

Decision

Consideration was given to the above Accounts for the year ended 31 July 2016. The MSU receives £9,000 from College funds for each academic year.

The cumulative fund as at 31 July 2016 was £18k.

The accounts showed the Association remained solvent.

The Committee expressed satisfaction with the accounts.

Resolved:

That the Myerscough Student Union Audited Annual Accounts for the year ending 31 July 2016 be approved.

101.16 Financial Position Statement for the Period Ended 31 October 2016

Decision

The results for the period ending 31 October 2016 showed the College generating a surplus which equated to 8.6% as a percentage of income. The balance sheet remained healthy with cash balances of £5.8 million and cash days of 73.

The Committee made reference to various aspects of the report.

The first formal count of students recruited was due to

be submitted which would provide a

performance measure. Recruitment of 16-18 year olds had exceeded target.

Income was behind target.

Education income was behind due to under recruitment of Higher Education (HE) students.

Ventures was behind profile, due to empty bed spaces.

Despite challenges in HE recruitment and maintaining commercial income the College was still able to report a surplus position.

Strong financial performance has become the norm at

Myerscough. Though the balance sheet was currently strong and initial performance good the overall scenario was challenging. Finance &

Resources Committee pledged to remain aware of the external climate and political landscape in their monitoring and decision making.

Management were asked to provide a more detailed analysis of HE Recruitment.

Resolved:

That the Financial Position Statement for the period ended 31 October 2016 be received.

102.16 ***Investment Funds including Interest to 31 October 2016***

Decision

Consideration was given to the report on investments for the period ended 31 October 2016.

Total cumulative interest received on cash balances at the bank amounted to £4,705. The total cash invested at the bank amounted to £5,649,553.

Interest rates remained low.

Resolved:

That the statement detailing investment funds including interest to 31 October 2016 be received as submitted.

103.16 ***Capital and Revenue Cash Flow for the Period Ended 31 October 2016***

Decision

Consideration was given to the Capital and Revenue Cash Flow for the period ending 31 October 2016 which was in line with expectations.

The actual balance at the bank at 31 October 2016 was £5.788m against a forecast position of £5.621m.

The forecast included the proposed capital developments which showed the Capital Plan was affordable in the time scale.

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 October 2016 be received.

104.16 ***Myerscough Ventures Report for the Period Ended 31 October 2016***

Decision

Consideration was given to the Myerscough Ventures Financial Performance Report for the period ended 31 October 2016.

At the end of the first three months the income contribution from Myerscough Ventures was below profile providing a total contribution of £333k. 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 £280k. The major variances were in three areas, residential, catering and events.

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

Equine Operations - There was increased income due to strong bookings of Equine Events.

Sports and Golf Academy - A significant contract with Blackpool Football Club had been secured.

Residential Operations - There were 110 vacant bed spaces with the highest number being in the self catered blocks. This linked to the lower recruitment of HE students who tended to give preference to self catered rooms. Focus Groups were being held and from these a revised strategy was being developed.

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

Horticulture - A good start to the year was reported with tours remaining popular.

Stumble inn - The area was meeting target.

Events - The area was behind target currently but conference bookings had been secured for Easter and Summer 2017.

The Committee noted the explanations and the focus on primary purpose of the College. 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 October 2016 be received.

105.16 *Capital Expenditure Report for the Period ended 31 October 2016*
Decision

Total expenditure against the annual budget of £7,067k for 2016 / 2017 amounted to £944k at 31 October 2016.

There was a low level of expenditure at this stage.

The Committee noted progress made on the capital projects and that the report was in line with expectations. 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 October 2016 be received as submitted.

106.16 Overseas Visits Policy - Review

Decision

The Committee give consideration to the Overseas Visits Policy following its review. The change allowed staff and student overseas visits to be authorised by the Executive where the College contribution was lower than £1000. The Executive proposal had been for £500 but following discussion it was agreed to increase the threshold. For visits with a College contribution above £1000, Governor signature remained a requirement.

Resolved:

That the Overseas Policy review be agreed as above.

107.16 Human Resources Statistics for the Period Ended 31 October 2016

Decision

The report contained analysis of staff turnover, breakdown and analysis of leavers, staff stability index, staff sickness statistics and the Staff Survey Action Plan.

Staff turnover had increased, at 11.98% which equated to 72 leavers. The Committee was pleased to note succession plans were in place for key roles.

Sickness continued to be monitored, and had met College targets. Human Resources continued to actively work with line managers to support management in this area.

Members received assurance on the sickness management and turnover of teaching staff. They noted a rise in age at which staff retired and were pleased to note good attendance from these staff and acknowledged their experience.

Resolved:

That the Human Resources Report be received.

108.16 Health and Safety Report for the Period Ended 31 October 2016

Decision

Members gave consideration to the Health and Safety Report for the period ended 31 October 2016 which included a summary of key strengths, areas for improvement, actions taken and the impact, and further actions planned and expected impact.

Accidents were depicted by area as well as cause. The degree of supervision in Foundation Learning was being looked at.

In response to a question members noted there was a downward trend

in riding ability of the intake of Equine students. Those students with a lower level of fitness and riding ability were more likely to have accidents.

There had been 4 RIDDOR reported accidents, 1 of which required further investigation.

A Health & Safety audit of the Sports Centre had been carried out and Action Plan agreed

Many staff had taken advantage of free flu injections offered at the College.

Slips trips and falls made up the greatest number of accidents.

Analysis indicates non resident under 18 females appear to be more accident prone.

The Health & Safety College Self Assessment Grade was a 1.

An area for improvement was to ensure staff follow procedures when commissioning contractors to carry out work within their areas.

Resolved:

That the Health and Safety Report for the period ended 31 October 2016 be received.

109.16 *Terms of Reference of the Finance and Resources Committee*
Decision

In line with the Code of Good Governance Finance & Resources Committee gave consideration to its Terms of Reference.

The Committee requested that the Clerk review section 3 of the document to ensure compliance against items listed and report back to Committee.

Resolved:

That the Finance & Resources Terms of Reference be agreed fit for purpose subject to an audit by the Clerk.