

## MINUTES

### *Finance & Resources Committee No 18*

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Date: *05/09/2017*      Time: *18:00–20:00*  
(*Tuesday*)

Venue: *Rural*      Committee: *Finance and Resources*  
*Business*  
*Centre*

Notes: *Refreshments will be available from 5.30pm*

Present: *Ann Turner (Principal), Clare Platt (Vice Chairman), Ian Douglass (Chairman), Ian Higginbotham, Sarah Burdaky and Stuart Heys*

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

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

Apologies: *Richard Furnival*

## Public Minutes

Item number:  
(and category)

Item description:

**57.17**      ***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 attend the meeting.**

**58.17**      ***Apologies for Absence***  
*Record*

Apologies for absence had been received from Clare Platt and Richard Furnival

**59.17**      ***Public Minutes of Previous Meeting***  
*Decision*

The public minutes of the meeting held on 6 June 2017 (published on the extranet) were signed and agreed as a true and correct representation of the meeting.

**60.17**      ***Declarations of Interest***  
*Record*

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

**61.17**      ***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*

Members showed their appreciation of the service over the past year from the previous Chair, Ian Douglass. Ian had not sought re-election and was standing down from the Committee due to other commitments. He would remain a member of Corporation. The Vice Chair, Clare Platt had indicated she was available for re-election but would be retiring from the Board on 31 December 2017.

It was confirmed that Committee terms of reference excluded the Chair of Corporation from being appointed Chair of Finance & Resources Committee. However if the Chair or Vice Chair were absent from a meeting committee members could appoint a temporary Chair from those present which could include the Chair of Corporation.

Following due process Ian Higginbotham was elected as Chair and Clare Platt as Vice Chair with immediate effect.

**Resolved:**

- 1. That Ian Higginbotham be appointed Chair of Finance & Resources Committee for the academic year 2017 / 2018**
- 2. That Clare Platt be appointed Vice Chair of Finance & Resources Committee with immediate effect until 31 December 2017.**

**62.17**      ***Strategic Plan Progress Report***  
*Decision*

Finance & Resources Committee gave consideration to the final Strategic Plan report for the Committee for academic year 2016 / 2017 which showed performance against specific targets relating to recruitment, a range of feedback results, research and financial targets.

Recruitment for Higher Education as anticipated and highlighted throughout the year had fallen below target.

Student survey responses and statistics to support the statement, 'We will provide an outstanding teaching and learning experience' were mostly on target though members noted satisfaction with regard to catering and bus service was below 80%.

The data on financial targets showed turnover was slightly below profile as was the surplus and income from Myerscough Ventures largely due to the short fall in Higher Education recruitment and the corresponding knock on effect and the performance of the farm. The balance sheet remained strong and financial health was graded as 'Good'

**Resolved:**

**That the Strategic Plan Progress Report be received.**

### **63.17 Strategic Plan Targets for 2017 / 2018**

#### *Decision*

Finance & Resources Committee gave consideration to the proposed Strategic Plan Targets for 2017 / 2018.

The Committee received explanations concerning the recruitment targets. At this stage FE appeared to be up on last year but numbers could not be clarified until the term started and confirmed after the six week probationary period. The target was 1649 and College was still recruiting.

Indications were that Higher Education recruitment would be slightly above the previous year showing that the downward trend had not continued. Overall numbers were less the smaller cohort recruited in 2016 would now progress to year 2 but numbers were less than those leaving in 2017.

Residential bookings, an area of concern in 2016 / 17, had increased from the previous year with 16-18 accommodation 99% full. The new rail courses were due to start with accommodation being booked out for 27 week blocks.

Research income had levelled.

In response to questions it was agreed that HE income generated would be shown on reports as would the surplus after interest.

There was some detailed discussion about how targets were arrived at so that they would give a true indication of the College's strategic direction and motivate a desire to achieve. Following discussion there would be some amendment to targets to ensure all satisfaction criteria showed aspiration to be above 80% and targets around safety at the highest levels. Going forward, target setting would occur alongside or prior to budget setting.

Members were assured that the budget had been prudently set taking into consideration existing levels of performance.

This was the third year College would record a grade of Good from its previous record of 'Outstanding' in the agreed managed approach to deliver the Capital Plan and meet recruitment targets.

#### **Resolved:**

**That the Strategic Plan targets for 2017 / 2018 would be adjusted to incorporate the agreed amendments.**

#### **64.17 Financial Position Statement for the period ended 31 July 2017**

##### *Decision*

Consideration was given to the Financial Position Statement for the twelve months ended 31 July 2017.

The management accounts showed the College had generated a surplus of 645k which was below budget. The surplus as a percentage of income (Pre FRS102) was 2.4% which did mean a deficit would be recorded after adjustments to the accounts from the FRS 102 accounting charge. Income was down 2.8% on projections but ahead of last year.

As the surplus was below target a Reconciliation Report was tabled. Wrk was ongoing with final pre-audit work to be completed.

The balance sheet was healthy with the cash position remaining strong. Income from investments was below target due to continuing low interest rates.

No uncertainties leading to significant doubt over Myerscough being a 'Going Concern' had been identified.

Apprentice & Skills income was short of target though recruitment was strong. There had been staff recruitment challenges particularly in the south of England which had impacted on ability to deliver and delayed the enrolment of new apprentices.

Performance from the Farm was a concern.

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

After due consideration the Committee concluded that the accounts continued to show the College was in a sound financial position.

##### **Resolved:**

**That the Financial Position Statement for the period ended 31 July 2017 be accepted and approved as submitted subject to final accounting adjustments.**

#### **65.17 Myerscough Ventures Report to 31 July 2017**

##### *Decision*

Finance & Resources Committee gave consideration to the Myerscough Ventures Report for the twelve month period ending 31 July 2017.

The contribution excluding the Farm was £1,339,623. With inclusion of the Farm, the contribution dropped to £1,038,119.

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 incomes were below target apart from Golf & Sports Centre and Events

Finance & Resources Committee held an extended discussion on the Farm activities taking into account its operating model, role as a teaching resource and link to the new FFIT Centre (Food, Farming Innovation & Technology Centre). An upward trend in performance was essential for the coming year, the Committee expressed concern over the 2016 / 17 performance and would monitor this area over the coming year.

**Resolved:**

**That the Financial Performance Report on Myerscough Ventures for the period ended 31 July 2017 be received.**

**66.17** ***Capital Expenditure Report***

*Decision*

Finance & Resources Committee noted that projects were being delivered within agreed parameters and within time frames. There was 0.67% variance between the total 2016 / 2017 budget and the forecast outturn.

The Committee expressed satisfaction with the progress made on the projects.

**Resolved:**

**That the Capital Expenditure Report to 31 July 2017 be received.**

**67.17** ***Statutory Risk Register***

*Decision*

Members gave consideration to the financial elements of the Statutory Risk Register applicable to this Committee.

The Committee debated the risk scores linked to student recruitment and would revisit once the student intake had been confirmed.

**Resolved:**

**That the Financial Risk Register be received.**

**68.17** ***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 for 2016 / 2017.**

**69.17 Trade Debt Levels**

*Decision*

Finance & Resources Committee gave consideration to the report on trade debt levels which were £100k higher than the previous year.

Members received clarification on advance billing, invoice dating and payment plans.

In response to questions it was confirmed examination certificates were not held back in cases where debt existed.

**Resolved:**

**That the Annual Trade Debt Levels Report be received.**

**70.17 Overseas Visits Annual Report for the Year Ended 31 July 2017**

*Decision*

Finance & Resources Committee gave consideration to the Overseas Visits Annual Report for the Year ended 31 July 2017.

The contributions from third parties resulted in a cost to the College of £4,481 for 21 overseas visits to the value of £145,249. The report indicated student participation.

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 2017 be received**

**71.17**      ***College Value for Money Review***

*Decision*

Finance & Resources Committee gave its annual consideration to the College Value for Money Policy Review and associated schedule of goods and services which included details of savings.

The report detailed processes in place to ensure best value was achieved on major expenditure.

It was confirmed "best value" was judged through formalised and scored procedures taking into account additional factors other than price.

Finance & Resources Committee expressed satisfaction with the actions being taken.

**Resolved:**

**That the College Value for Money Policy Review be agreed.**

**72.17**      ***Review of the Health and Safety Policy***

*Decision*

The Health and Safety Policy and Procedure was presented to Finance & Resources Committee following management review. There had been some minor changes to the document which included necessary amendments to structure charts.

**Resolved:**

**That the Health & Safety Policy be approved.**

**73.17**      ***Annual Cycle of Business 2017/2018***

*Decision*

Finance & Resources Committee gave consideration to the Annual Cycle of Business for the Committee for 2017 / 2018.

**Resolved:**

**That the Annual Cycle of Business be approved.**

**74.17**      ***Date of Next Meeting***

*Decision*

The next meeting of the Committee would be held on Tuesday 26 September 2017 commencing at 4.30pm.