

CORPORATION BOARD FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of a meeting held on Monday 18 June 2019 at Abingdon Campus at 6pm

Present

Di Batchelor, Principal
Howard Dodd
Roger File
Nick Handy, Chair
Tony Petruso
John Revis

In attendance

Mark Lay, Finance Director
Jenny Craig, Assistant Principal
Kelly Haddrell, Head of HR
Michael Chiyasa, Head of Estates & Capital
Development
Darren Bailey, Head of Finance
Ruth Reavley, Clerk

Governor questions are represented with bullet points, and management responses are italicized.

1. Opening comments, apologies for absence and new declarations of interest

Tony Petruso was welcomed to his first meeting. There were no new declarations of interest, or apologies. The practice of taking business items by exception would be extended in future to cover both refreshed Policies and Freedom of Information reporting.

2. Minutes of the meeting held on 11 March, 2019

The Public and the Confidential minutes were approved and signed.

3. Matters arising from the Minutes not covered elsewhere on the agenda

The Actions report was noted. No Matters arising not already on the agenda were identified. Item 11 was a verbal report, not a briefing paper.

4. Capital Projects and Estates Maintenance Report

i) Public Report

In addition to the information in the report, Governors noted that the planning permission referred to in 2.3.1 (Abingdon dance studio) had now been received.

- Is there an explanation for water consumption in March being higher than other months? *Data has been collected for only a few months so far, so trend analysis is difficult. February is a short month, and included half term; Easter was in April, so March, was a long month with no holidays.*
- What was the final account on the Livestock Technology Centre? *It came in at just under 1% of the original contract sum. This is the first time this has been achieved on any of the College's major capital projects. The College often plans a 5% contingency allowance in its budgets and is comfortable with signing off final accounts 2-3% above the contract sum.*

Governors congratulated the team on this outcome and noted that additional equipment had been purchased with the additional 1% available. Those able to attend the formal Opening had been impressed.

Two confidential items were considered, for which separate minutes were kept.

6. HR data, January – April 2019

The Head of HR observed that manager training on Bradford factor and absence management appeared to be having results in a decrease in case work.

- How big is the workforce? Is the number of disciplinaries a high, or a low number? *There are roughly 750 on the payroll, including Hourly Paid lecturers. The AoC does*

not produce sector benchmark data. One case involved 4 people, but only 1 took the matter to a hearing.

- What lay behind the three DBS non-disclosure cases? *They were for the same reason. Disclosure is required in the application form and at interview, and none was made on a matter subsequently disclosed by the DBS.*

The Committee was satisfied with the report.

7. Management Accounts to 30 April 2019, and 2018/19 full year forecast

The Head of Finance introduced the report and corrected an error on the cover sheet: the overall to date projected operating surplus was £556k adverse to budget. He was of the view that achieving a surplus before exceptional items of £66k was a significant achievement. The cash position will be slightly better as payment to Bouygues was scheduled for August 2019.

Governors noted the Ratio Analysis data.

- Noting that the report covered the position to 30 April 2019, was it the case that now the surplus/deficit should now be RAG rated red, as irrecoverable? *Rating it Amber was correct in relation to the April accounts.*
The Management Team is now reporting that the budget will not be achieved at year-end, but that the College will not be in deficit. For June, a RAG rating of Red is appropriate.
Governors acknowledged the deep complexity of income streams, and the efforts made to generate both income and margin. There remained opportunity to increase Apprenticeship income, and some improvement in the Adult Education position may be achieved.
- A governor was concerned about the impact of the shortfall on the 2019/20 budget, especially given capital developments being considered.
Use of subcontracting in Adult Education this year reduced margins. With a smaller Adult Education allocation for 2019/20, there is potential to deliver in-house, improving the margin.

8. Financial Record benchmarking report

The Finance Director introduced the report. Based on ESFA annual Financial Record published data for 2017/18, it drew comparisons between the College and a similar peer group of 77 Colleges. Whilst the difference in Pay costs between the College and the sample average could be explained, the difference in non-pay costs was not obvious, and warranted more detailed analysis. The Financial Director drew attention to the surplus/deficit figures.

- The income per learner data was particularly good. *The College data reflected the Area Uplift, the Landex enhancement, and that the college was effective in planning Study Programmes which maximise income.*
- Other than the non-pay analysis, was anything else of concern? *No, other differences were explainable.*
- Are other Colleges undertaking similar analyses? *Some Finance Directors may be, but there is no widespread systematic work.*

Governors welcomed the report, and requested it was repeated annually. They were interested in the deeper analysis the Finance Director would be undertaking with his Buckingham Colleges Group counterpart.

Action	By Whom	Deadline
Incorporate into the annual Value for Money report for the Audit Committee	Finance Director	When available

Add annual Financial Record benchmarking report to F&GP business cycle	Clerk	immediate
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Two confidential matters were discussed.

11. Financial Accounting Framework update

The Finance Director reported that the Audit Committee had received advice from Financial Statements Auditors MHA MacIntyre Hudson that, following the national review of FRS102, a 2019 SORP had been issued, as part of its proposed plan for the 2019 Financial Statement audit. For 2018/19, institutions had the option to “early adopt” the changes laid out in the 2019 version of FRS 102 and the SORP. It had been agreed that early adoption of the 2019 versions of FRS 102 and SORP for the 31 July 2019 Accounts were not necessary, and this was being recommended to the Board. The more significant revisions cover changes to definitions on debt and valuations of investment properties.

Governors would see the 2019 Financial Statement Plan from MHA MacIntyre Hudson as part of the Board papers.

12. Policies

A minor amendment was proposed to the Staff Performance & Attendance Management Policy. This would be made. Discussion of the Health & Safety and Staff Development Policies did not result in amendments being agreed. No amendments were proposed to the 9 refreshed policies.

- a) The Staff Development, Staff Performance & Attendance Management (subject to the amendment agreed), Allegations of abuse against staff, and Smoking Policies were approved.
- b) The Health and Safety Policy was recommended to the Board.
- c) The Financial Regulations, Disclosure & Barring Service, Equality & Diversity, LGPS Pensions and employer Discretions, Staff Disciplinary, Expenses and Supply Chain Fees & Charging Policies were recommended to the Board.

13. Freedom of Information report

No questions were raised, and the report was noted.

14. Future business items and reflection on the meeting

The Budget 2019/20 budget update would be moved to the November meeting, as student recruitment figures would be clear by then. Changes to the Terms of Reference reflecting the restructuring of the Board’s Committees were recommended to the Board.

Governors had no immediate reflections to share on the meeting.

Action	By Whom	Deadline
Amend Committee Business Plan moving Budget update to November	Clerk	immediate

The meeting closed at 8pm.

Signature

Date

Matters arising from the Finance & General Purposes Public Minutes, 18 June 2019

Item & Title	Action	By whom	deadline
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	Add annual Financial Record benchmarking report to F&GP business cycle	Clerk	immediate
14. Future business items and reflection on the meeting	Amend Committee Business Plan moving Budget update to November	Clerk	immediate