



**Minutes of the Meeting of the Finance and General Purposes Committee
held on Monday 25 June 2018**

- Present: -** Mrs Lynn Forrester-Walker (Chair)
Ms Abigail Appleton (Principal)
Professor Robin Baker
Mr Mervyn Jones
Mr Scott Rolfe
- In attendance: -** Mrs Linda Watkins (Clerk to the Governors)
Mr Tim Williams (Finance Director)

The meeting was quorate as there were five Members present.

1. **Apologies for Absence**
Ms Kay Sandford-Beal
 2. **Declaration of Interests**
None declared.
 - 3.I. **Minutes of the Last Meeting**
The Chair signed the minutes of the last meeting held on 12 March 2018 as a true and accurate record.
 - 3.II. **Matters arising from the Minutes**
 - A. The Principal had followed up potential allocation of the NCOP budget and was awaiting a response.
 - B. Staff appointments have been progressed following the Committee's approval by email.
 - C. The Principal had undertaken some health and safety walkthroughs and would arrange a programme walkthroughs.
ACTION: PRINCIPAL
- The Committee agreed: -
- To approve the minutes of the last meeting
4. **Finance Report**
 - I. Management Accounts to 30 April 2018 and current risks were highlighted with explanations of significant changes to the forecast. A feasibility study on CRC had been delayed and was subject to outcome of the rent review with RNC. It is likely that this will be carried forward with costs allocated in the next financial year. The year-end position had improved and is likely to be better than forecast. Concern was expressed acknowledging that the delay to the rent review with RNC is a risk. The Chair of the Corporation was tasked to write to the Chair of RNC regarding this.
ACTION: CHAIR OF THE CORPORATION
 - II. Student applications 2018/19. [A confidential minute was recorded]

- III. Strategic Investment Priorities 2018/19 and the 5-year student recruitment were outlined in the paper prepared by the Principal. In summary investment was proposed in key areas which had already previously been presented to the Committee. These included an FE digital focus in the curriculum in 2019/20 evidenced by an independent report the College had commissioned. Specific costs for staff and equipment investment, curriculum offer (level 3 and 2) and predicted enrolments were provided. Technical equipment could be funded using alternative funding such as NCOP; the proposal had included this funded by the College. There was challenge about the capacity to recruit 20 students in year 1 which could be offered with a minimum of 10 students.

A Governor asked if the 2019/20 budget would realise income noting that if students apply in addition to those currently attracted to courses, funding would be realised in 2020/21 based on the lagged funding methodology.

The AQ&S Committee had discussed the curriculum offer in detail. The F&GP Committee scrutinised costs with specific questions to identify when investment from 2018/19 would break even and achieve profit. Investment would incur costs in years 1 and 2 with revenue generated in year 3. The Committee requested a 5-year cash forecast and P&L account showing all costs and return which should include on-costs and points for trading on the P&L.

ACTION: FINANCE DIRECTOR

Investments previously agreed included the Marketing Communications Producer and Digital Executive who have been recruited. These posts have been included in the budget. An additional post for an Outreach and Progression Manager (2 year contract) would expand the College contacts areas and increase recruitment on all courses.

Additional investment was noted from the paper with caution expressed about proposal for a student bar which would be developed with the Student Union and enhance students' social experiences; licensing options are being explored. Investment at CRC would only be superficial until the terms of lease is resolved with RNC.

The 5 year student number forecast presented to the Board in April had been revised but remained prudent. This had been used to prepare the budget. It was noted that some of the proposed investments were likely to increase enrolments. There were questions and responses noting that post-graduate students were not included in the budget and internal progression from FE to HE was 12% which could be increased; structured engagement between FE and HE is being introduced in 2018/19.

- IV. College Budget 2018/19 and financial forecasts
The Board are required to approve a budget for 2018/19 and financial plan for the following year for submission to ESFA by 31 July 2018.

The budget showed that the College's financial health will decline from outstanding to satisfactory in 2018/19 based on 2017/18 College's EBITDA. This could move the College into ESFA's intervention process and trigger an informal diagnostic review. To address this it was agreed that the College should submit a 10 year financial plan to ESFA which would show income would increase as a result of investment. The

budget and strategic decision making to support the budget should also be sent to ESFA.

The budget had been prepared using scenario 4 figures which needed to be revised to reflect scenario 5 along with an explanation of the impact of digital investment and revised HE recruitment numbers. 5 year financial forecasts with and without digital development were requested

ACTION: FINANCE DIRECTOR

- V. Strategic monitoring proposal
[A confidential minute was recorded]
- VI. The property report had been had been discussed as part of previous items.

The Committee agreed: -

- To note the management accounts to 30 April 2018
- To task the Finance Director to prepare a 5 year financial plan and P&L which would be scrutinised before recommending investment for digital development
- The budget should be based on scenario 5 student recruitment and include other proposed investments with the exception of significant investment in CRC until the lease review was finalised
- An additional Committee meeting would be arranged to discuss the budget further and make a recommendation to the Board to approve the budget

5. **Policies and Procedures**

The Health and Safety Policy was presented to the Committee to recommend the Board for approval annually.

The Committee agreed:-

- To recommend the Board approve the Chair and Principal sign the Health and Safety Policy

6. **Health and Safety Report**

Governors asked questions about the report and were pleased to note positive outcomes from fire inspections. There was concern about the accident involving a temporary member of staff but Governors were encouraged remedial action had been taken.

The Committee agreed: -

- To note the report

7. **Personnel Report**

Reasons for the increase in staff sickness and absence, and the cost impact were requested. It was agreed percentages as opposed to days lost in work would be more useful. Trends and reasons for leave were also requested along with any sector benchmarks so that measures can be put in place to support and address any trends e.g. stress issues.

ACTION: PRINCIPAL

Staff development was requested in future reports. A staff development plan is being prepared for next year.

ACTION: PRINCIPAL

The Principal is working on pay scales and implementation of annual

increments for staff. The College is not required to publish its gender pay as it employs less than 250 employees. The new payroll system would generate this information.

The Committee agreed: -

- To note the report

8. Annual items for Committee

The Committee agreed: -

- To appoint Mervyn Jones as Chair of the Committee for 2018/19 temporarily until additional members are recruited onto the Committee
- The Committee self assessed its performance concluding that it was effective and adequately met the requirements of its terms of reference
- The Clerk would review the terms of reference during the summer

9. Any Other Business

The Committee recorded appreciation to Lynn Forrester-Walker who had superbly chaired the Committee for a number of years. It was agreed that this was a crucial role. Lynn had agreed to continue to serve on the Committee as a co-opted member for another year.

10. Date and Time of Next Meeting

The next meeting was arranged for Monday 26 November 2018 commencing at 5.00 pm.

Signed as a true record

Chair Date