



**Minutes of the Meeting of the Finance and General Purposes Committee  
held on Monday 26 November 2018**

**Present: -** Mr Mervyn Jones (Chair)  
Ms Abigail Appleton (Principal)  
Mrs Lynn Forrester-Walker (Co-opted Member)  
Mr Scott Rolfe  
Ms Kay Sandford-Beal

**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**  
Professor Robin Baker

**2. Declaration of Interests**  
None declared

**3.I Minutes of the Last Meeting**  
The Chair signed the minutes of the last meeting held on 27 June 2018 as a true and accurate record.

**3.II Matters arising from the Minutes**  
These had been addressed or would be discussed during the meeting.

The Committee agreed: -

- To approve the minutes of the last meeting

**4. Financial Statements for year ending 31 July 2018**  
The Finance Director presented the draft report which had been prepared using the Casterbridge Model. The Audit Committee would recommend the approval of the financial statements to the Board.

The year-end deficit was reconciled to the year-end position on the management accounts to 31 July 2018. The College generated an outstanding financial score for the end of last year based on ESFA financial indicators.

Minor amendments were proposed requesting the final version to be sent to the Chair of the Corporation before being presented to the Board for approval

**ACTION: FINANCE DIRECTOR**

In summary the College's actuarial gain in respect of the pension scheme was £691K. This turned the deficit of £128K into a total comprehensive income surplus of £563K.

The Committee agreed: -

- To note the Financial Statements to 31 July 2018 which were acceptable for the Audit Committee to recommend to the Board for

approval

**5. Hereford College of Arts Financial Plan 2018/20**

Governors noted the correspondence and dashboard which was historical and based on last year's budget. ESFA use this to identify if intervention is required. 2018/19 financial plan moved the College to satisfactory financial health as a result of the EBITDA score.

Staff costs as a percentage of income increased to 65% in 2017/18 based on the financial plan submitted to ESFA as opposed to the finance record which is submitted at the end of December, based on the financial statements. Reasons why the EBITDA score was negative in 2018/19 were requested which related to the increase in staff costs increase and investments budgeted for 2018/19. There was an observation that year on year operational costs had increased by 10% with a request to breakdown operational costs for further scrutiny.

**ACTION: FINANCE DIRECTOR**

Comparisons of the ratio with academic and support services in the sector were suggested to ensure these are controlled. Key financial indicators in College's financial statements would provide benchmarks.

**ACTION: FINANCE DIRECTOR**

The Committee agreed to measure the impact of the strategy with an analysis of specific costs allocated to the strategy as opposed to normal business compared to income. This would be a useful tool to identify specific areas to target further.

**ACTION: FINANCE DIRECTOR**

The Committee agreed: -

- To note ESFA correspondence regarding the College plan 2018/20
- To monitor operational costs including costs allocated to the strategy in future and benchmark some ratios
- To notify the Board of the exercise to measure strategy costs v income.

**6. Early intervention and prevention** [A confidential minute was recorded]

**7. Accommodation Report** [A confidential minute was recorded]

**8. Finance Report**

- I. Management Accounts to 30 September 2018 showed that, at this early stage in the year, there were only minor changes compared to budget which were based on student recruitment and the rent review with RNC.
- II. The Annual Treasury Management Report 2017/18 advised on activities for the year ended 31 July 2018. It covered treasury management activity during the year, investment arrangements and interest earned.

The Committee agreed: -

- To note the management accounts to 30 September 2018
- To recommend the Board approve the Treasury Management Annual Report 2017/18

**9. Annual Health and Safety Report 2017/18**

The Principal presented the report which gave a flavour of activities and the accident statistics during the year. The Committee were pleased to note that RIDDOR incidents and near misses have decreased even though more near

misses are being reported. A Governor commented that the fire risk assessment should be documented by a suitably competent person. Several targets have not been achieved; to address this changes have been introduced to ensure a systematic approach of core business as opposed to responding to incidents and regular reviews of the health and safety operational plan.

SLT have reviewed a number of health and safety policies which need to be communicated effectively to staff. Risk assessments require more clarity to distinguish between generic risk assessments and those signed off by the Estates Manager.

Kay Sandford-Beal, Health and Safety Governor, was unable to participate in the last Health and Safety Committee following late changes to the time of the meeting. Governors agreed the H&S Governors should participate in meetings to provide assurance about the effectiveness of health and safety practices to the Committee and Board.

Statutory inspections needed to include legionella and fire alarm testing.

**ACTION: PRINCIPAL**

The Committee agreed: -

- The annual health and safety report would be issued to the Board

**10. Personnel Report 2017/18**

The Principal apologised that the draft report was not an annual report. Disappointment was expressed as the report did not include key areas such as staff development or information about mandatory training. Data was reported in inaccurate formats. A Governor expressed concern about staff sickness which had increased.

The Committee agreed: -

- To note the personnel report which was not an annual report and, therefore would not be accepted

**11. Annual Complaints Report 2017/18**

A summary of anonymised formal written complaints was presented. The low level of complaints was challenged, noting that all complaints are not reported; only formal complaints. It was agreed that serious concerns raised by students are not necessarily formal but need to be recorded in future.

**ACTION: PRINCIPAL**

The Committee agreed: -

- To note the report showing that there were extremely low levels of reported complaints which had all been addressed
- Serious concerns raised by students should be recorded

**12. Expenses Policy**

The Committee agreed: -

- To approve the policy

**13. Any Other Business**

No items

**14. Date and Time of Next Meeting**

The next meeting was arranged for Monday 25 March 2019 commencing at 5.00 pm.

**Signed as a true record**

**Chair .....** **Date .....**