



**Minutes of the Meeting of the Finance and General Purposes Committee
held on Monday 25 November 2019**

Present: - Mr Mervyn Jones (Chair)
Ms Abigail Appleton (Principal)
Professor Robin Baker
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 six Members present.

1. Apologies for Absence

There were no apologies.

2. Declaration of Interests

No interests were declared.

3.I Minutes of the Last Meeting

The Chair signed the minutes of the last meeting, including the confidential minutes, held on 24 June 2019 and 8 July 2019 as true and accurate records.

3.II Matters arising from the Minutes

- A. Reasons the slip in the café recorded in the health and safety report dated March 2019 was 'not work-related' was carried forward to the next H&S report. **ACTION: PRINCIPAL**
- B. At this stage it was not necessary to appoint a part-time project manager for the Station Approach Development. The Chair informed Governors that the S&G Committee have considered an application for governorship from an architect with experience of student accommodation projects.
- C. Value for money would be discussed during the meeting.
- D. Confirmation had been received that ESFA would fund teacher pension costs of £109K in 2020/21 as well as 2019/20. This income had been removed from the 2020/21 financial plan owing to the uncertainty around it.

The Committee agreed: -

- To approve the minutes of the last meeting

4. Financial Statements for year ending 31 July 2019 (draft)

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 Finance Director had the closing meeting with Mazars agreeing

amendments to some of the notes. A reconciliation of the management accounts to the financial statements showed that the only adjustments related to pension amendments – which received after the year-end and the revaluation reserve amortisation.

The actuary loss was £997K which had been added to the year-end deficit of £648K. The reserves had decreased from £4.7M to £3.1M. The balance sheet showed a decrease in current assets of £240K. Mazars had not identified any issues of concern during completion of the audit. A Governor suggested including Brexit as a risk in the Members Report. Other operating expenses lease costs appeared high compared to the previous year. The Finance Director highlighted that this was because of the lease for Dowdell Hall in 2019/20, which was not leased the previous year. .

The year-end deficit was reconciled to the year-end position on the management accounts to 31 July 2019. The College generated a health score of requires improvement at the end of last year based on ESFA financial health indicators.

Minor amendments were proposed to the narrative and the final version would be sent to the Chair of the Corporation before being presented to the Board for approval. **ACTION: FINANCE DIRECTOR**

The Committee agreed: -

- To note the Financial Statements to 31 July 2019 agreeing the financial data was acceptable for the Audit Committee to recommend to the Board for approval

5. Correspondence from Education Skills Funding Agency

- I. Hereford College of Arts Financial Plan 2019/21 was noted which showed the College's financial health requires improvements. This placed the College in early intervention. The College's financial dashboard compiled information the College had submitted to ESFA as part of the budget and financial plan submission.
- II. ESFA had written to the College in November confirming that it has been categorised in early intervention. In response to this the College is required to submit quarterly management accounts to ESFA and an updated Digital Creative project plan. The Committee will continue to closely monitor the 12 month cashflow forecast.

The Committee agreed: -

- To note ESFA correspondence regarding the College plan 2019/21 and early intervention

6. Sustainability Statement (draft)

The Principal considered the draft sustainability policy with discussion about policies in other institutions and the United Nations statement. There was a proposal to bring the UN statement forward within the College's principles. The statement would also include the Board's responsibility for adherence to report on sustainability at least annually, with the option to report to a committee. The statement would be signed by the Chair of the Corporation and Principal. The draft statement was also being presented to the AQ&S Committee and Student Council before being adopted by the Board.

The Committee agreed: -

- Minor changes to the sustainability statement for consideration before

being adopted by the Board. **ACTION: PRINCIPAL**

7. **Value for Money [A confidential minute was recorded]**

8. **Marketing Update and Student Applications 2020/21**

This provided a summary of digital and website campaigns and the impact to date. A breakdown by FE and HE was requested in future reports.

ACTION: PRINCIPAL

It was encouraging that there had been an increase in page views on the website and attendance at open days. The College had also attended the UCAS fair in Manchester.

The Committee agreed: -

- To note the marketing report

9. **Finance Report**

- I. Management accounts to 30 September 2019 showed the position in the first reporting period of the financial year. HE recruitment was below target and generated a negative variance compared to budget as reported to the October Board. FE Income generated by Education Health Care Plan (EHCP) contracts had increased. A Governor asked about additional costs for EHCP students noting that costs to support the students did not impact on savings in staffing which were £37K in September. Overall there is a positive variance of £85K compared to budget for the period to the end of September. For the full year there was a negative variance of £35K based on ESFA measured surplus.

SLT are discussing costs and potential savings to reduce the year-end deficit. The cash balance is £1.7M a slight improvement compared to budget.

- II. The Annual Treasury Management Report 2018/19 advised on activities for the year ended 31 July 2019. It covered treasury management activity during the year, investment arrangements and interest earned.

The Committee agreed: -

- To note the management accounts to 30 September 2019
- To recommend the Board note the Treasury Management Annual Report 2018/19

10. **Station Approach Development**

Construction process reports had been received from Cityheart confirming that progress is on track both off-site in Newark and on-site. The contractor has not reported any expected delay with completion and handover to date.

The College has a dedicated page on the website for the new accommodation and a leaflet available at open events. There has been interest in the building at open days. Cityheart has not yet launched their website with a request from the College to launch an interim page on their current site.

A delay to the project would be the most significant risk which was out of the Board's control. Cityheart will be responsible for accommodating students if there are any delays to the project after March 2020. The hoardings have been

designed by students and there was a suggestion to investigate if these would be visible from trains.

The Committee agreed: -

- To note the report which would be issued to the Board for information

11. Health and Safety Annual Report 2018/19

The Facilities and Health and Safety Manager had prepared the report with Governors recording their appreciation. This is a new operational role which removed strategic responsibility for estates management.

A fire risk audit had been completed by an external consultant. Risk assessments are also being reviewed by a consultant who will provide training for staff.

A Governor asked if there had been an inspection to test for legionella which is a statutory inspection. This would be ascertained and reported in the next report. **ACTION: PRINCIPAL**

A Governor asked if the student who had fallen off their bicycle had any lasting injuries and it was confirmed that they did not. There had been one RIDDOR accident and three other injuries resulting in someone being taken to hospital but these were not reportable. There have recently been changes to RIDDOR reporting and the Committee requested details of anyone who needed to go to hospital for future reporting. **ACTION: PRINCIPAL**

The Committee agreed: -

- To note the annual Health and Safety Report which would be issued to the Board

12. Personnel Annual Report 2018/19

Governors recorded their appreciation to the Personnel Manager for preparing the informative report acknowledging the hard work to prepare. Additional information on salaries benchmarked with AoC and gender by salaries was proposed in future reports.

The staff survey had been refined which would include questions used in the staff survey used by Ofsted. The outcome of the staff survey will be reported to the Committee. **ACTION: PRINCIPAL**

The Committee agreed: -

- To note the annual Personnel Report which would be issued to the Board

13. Any other business

There were no items.

14. Date and time of next meeting

Monday 27 April 2020 commencing at 5.00 pm. It was agreed that a meeting would be arranged during March 2020. **ACTION: CLERK**

Signed as a true record

Chair Date