

FINANCE & GENERAL PURPOSES COMMITTEE

AGENDA NOTICE

Finance & General Purposes Committee Meeting

Date: Thursday 24th November 2016

Time: 9.30am

Venue: Meeting Room, University Centre Farnborough

Please note this meeting precedes Remuneration Committee which starts at 12 noon

1.1 Opening of Meeting and Apologies for Absence

1.2 Declarations of Interest

Presentation by Fusion

1.3 Property Strategy

Report by Director of Finance

Appendix 1.3

1.4 Minutes of the last Finance & General Purposes Committee held 23rd June 2016

Chair of Finance & General Purposes Committee

Appendix 1.4

1.5 Matters arising from the minutes

1.6 Review Finance & General Purposes Committee Terms of Reference

Chair of Finance & General Purposes Committee/Clerk

Appendix 1.6

FINANCE

1.7 Monthly Management Accounts report

Report by Director of Finance

Appendix 1.7

1.8 Financial Forecast for November 2016

Report by Director of Finance

Appendix 1.8

1.9 Farnborough College of Technology Financial Statements for year ended 31st July 2016

Report by Director of Finance

Appendix 1.9

1.10 Student Recruitment Numbers 2016/17

Report by Deputy Principal & Vice Principal Curriculum & Learners

Appendix 1.10

1.11 Pay Award 2016/17

Report by the Principal

Appendix 1.11

1.12 Capital Expenditure Update

a) Final costs of UCF Project

Report by Director of Finance

Appendix 1.12a

b) Capital Projects 2016/17

Report by Director of Finance

Appendix 1.12b

1.13 Banking & Treasury Management Termly Report

Report by Director of Finance

Appendix 1.13

1.14 LGPS Pension Scheme Matters

Report by Director of Finance

Appendix 1.14

1.15 Request to approve subcontract with Inclusion Hampshire

Report by Director of Finance

Appendix 1.15

1.16 Bad Debtor Report

Report by Director of Finance

Appendix 1.16

- 1.17 Barclays & HSBC Bank Mandates**
Report by Director of Finance Appendix 1.17
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GENERAL PURPOSES

- 1.18 Pearsons Review**
Report by the Principal Appendix 1.18
- 1.19 Termly Safeguarding Report**
Report by Deputy Principal Appendix 1.19
- 1.20 Annual Health & Safety Report 2015/16**
Report by Deputy Principal Appendix 1.20
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POLICIES

- 1.21 The Technical & Further Education Bill**
Report by the Principal Appendix 1.21
- 1.22 Supply Chain Fees Policy 2016/17**
Report by Director of Finance Appendix 1.22
- 1.23 Safeguarding**
Report by Deputy Principal Appendix 1.23
- 1.24 Child Protection Policy & Procedures**
Report by Deputy Principal Appendix 1.24
- 1.25 Student Charters – Sept 2016**
Report by Deputy Principal Appendix 1.25
- 1.26 Any Other Business**
- 1.27 Date & Time of the next meeting**
Thursday 16th March 2017 at 10am

DISTRIBUTION LIST

Committee
Mr B Edwards – Chair
Mr A Cairns
Professor M Earwicker
Mr R Rendel
Professor J Yeomans
Ms V Barratt - Principal

In attendance
Mrs J Bratt –Director of Finance
Mr I Wolloff- Deputy Principal
Mrs J Milburn - Vice Principal
Mrs L Miles – Director of Resources
Mrs C Gillam – Clerk to Corporation

Farnborough College of Technology

Finance & General Purposes Committee

Minutes of meeting held on Thursday 24th November 2016

Present:

Mr B Edwards –Chair of Committee
Mr A Cairns
Mr R Rendel
Ms V Barrett - Principal

In Attendance:

Mrs J Bratt - Director of Finance
Mrs L Miles – Director of Resources
Mrs J Milburn – Vice Principal Curriculum & Learners
Mr I Wolloff – Deputy Principal
Mr S Markham – Fusion Project Management Ltd (*left after item 1.3*)
Mrs C Gillam – Clerk to the Corporation

Quorate: Yes

The meeting opened at 9.32am

Agenda Item	Minute	Action
1.1/16.17	Opening of Meeting and Apologies for Absence Apologies were received and accepted from Professor Earwicker and Professor Yeomans.	
1.2/16.17	Declarations of Interest No declarations were noted in relation to the agenda items.	
1.3/16.17	Presentation by Fusion/Property Strategy Mr Markham from Fusion Project Management gave a presentation on progress to date with the development of a new Property Strategy. Initial work had identified both opportunities and constraints with the College's unique estate. The following points were noted: <ul style="list-style-type: none">• 89% of estate is category C• modular estate enables flexibility• Airfield Public Safety Zone constrains development across parts of the site• college has surplus space, with some potential for small-scale land disposal• existing maintenance liabilities of £8m over next 5 years <p>The potential key Property Strategy objectives were identified as to:</p> <ul style="list-style-type: none">• improve space utilisation• improve condition of buildings• provide an inspirational learning environment• improve circulation and security• achieve best value	

The next step would be to begin to generate flexible options within this framework of objectives to be included in an update paper to the December Board meeting. The new Property Strategy would then need to be approved by the Board in January 2017 (possibly at a proposed strategy away day) which would enable work to start on site summer 2017. Two key projects which could be considered for summer 2017 were investment in facilities at Aldershot to expand the curriculum offer and re-purposing of the Westminster building at Farnborough.

The Committee thanked Mr Markham for his informative presentation and received the interim report on the Property Strategy.

Mr Markham left the meeting.

1.4/16.17 Minutes of the meeting held 23rd June 2016

The minutes of the last meeting were accepted as a true and accurate record and were signed by the Chair.

1.5/16.17 Matters arising from the minutes

3.6a Financial Dashboard – It was noted that it would be helpful to specify a percentage for the ‘non-contracted out’ services so that Governors could understand what difference this would make to the College’s ‘staff cost’ performance nationally.

Dir. of Finance

3.8 Market Related Pay – It was agreed that the Director of Resources would bring a report to the next meeting on where the market related pay facility had been used and to what effect.

Dir. of Resources

1.6/16.17 Review F&GP Committee Terms of Reference

The Committee agreed to include a new item concerning their delegated authority and amend the wording of 1.i and 1.iii in line with other Committees.

Action: Recommend ToR amendments to the Board.

Board

1.7/16.17 Monthly Management Accounts Report

The Director of Finance noted that this was a challenging budget. Although the year to date surplus was currently £76k below budget SMT were confident in their ability to manage any emerging risks to achieve the budgeted surplus by year end. Governors asked if the costs associated with a feasibility study for a merger with Guildford College Group were included and were advised that they were not in the budget but would be covered by a £100k transition grant to be split between the two Colleges.

The Committee accepted the report on the October 2016 monthly management accounts.

1.8/16.17 Financial Forecast for November 2016

The forecast showed a balanced budget with decreases in forecast income offset by reductions in costs. Governors noted that the budget included an assumption that the College would be successful in applying for an apprenticeship growth funding bid which would enable the College to exceed its apprenticeship

funding allocation. The College was confident it could deliver the increased number of apprenticeships and would know the outcome of the growth funding bid by Christmas.

The Committee accepted the November 2016 Forecast.

1.9/16.17 Farnborough College of Technology Financial Statements for year ended 31st July 2016

This is the first year the College has presented its Financial Statements under the new reporting standard FRS 102. The Financial Statements showed an operating surplus of £606k before pension finance costs and actuarial loss in respect of the LGPS pension scheme. The format of these pension entries in the Financial Statements was a requirement of FRS 102. The standard also required the fixed asset revaluation of 31st July 2015 to be

Board

Action: The Committee accepted the Financial Statements and would recommend its approval to the Board.

1.10/16.17 Student Recruitment Numbers 2016/17

The Deputy Principal announced that overall enrolments for 2016/17 were forecast to be in line with budget targets. Enrolments for 16-18 year olds were currently above the allocation with 1,630 compared to 1,538 for last year. Apprenticeships were also up with 592 enrolled for 2016/17 compared to 475 last year and, as noted under item 1.8, additional apprenticeship enrolments would be sought in year. HE enrolments were up but the low first year intake last year had reduced the overall size of the cohort.

The Vice Principal explained that there were various initiatives to improve student numbers further such as a new ESF funded project, and fast-track access courses, a range of professional courses and ESOL all starting in January.

1.11/16.17 Pay Award 2016/17

This item was recorded as a confidential minute.

1.12/16.17 Capital Expenditure Update

a) Final costs of UCF Project

The Director of Finance reported that the UCF project was completed on time and within budget being £36k below the £7.75m approved by Governors. The M3 LEP contributed a £2.6m capital grant. There were a few snagging issues and a £100k retention would remain until these matters were resolved.

The Committee received the update and congratulated the College for its accurate budgeting on such a large project.

1.12/16.17 b) Capital Projects 2016/17

b) The Director of Finance reported that most of the approved projects were complete. The development of the new website was ongoing but due to be completed in early 2017. Any survey costs arising as a result of Property Strategy development work would

be financed out of the SMT emergency items budget line which had a significant under spend.

The Committee received the update.

1.13/16.17 Banking & Treasury Management Termly Report

The Committee received the report, noting its adherence to the Treasury Policy.

1.14/16.17 LGPS Pension Scheme Matters

The Director of Finance briefed the Committee on LGPS matters. Hampshire Pension Fund administrators removed colleges and universities from the main body of scheduled bodies due to their higher risk profile. Colleges would be considered on an individual risk basis and were required to submit information which would form the basis of their risk profile. FCoT had been assessed in the 'medium risk' category and was awaiting information on the size of the increase to its employer contribution rates. Meanwhile legal advice was being sought on possible alternatives to the LGPS.

The Committee received the report.

1.15/16.17 Request to approve subcontract with Inclusion Hampshire

The Committee recommended approval to enter into the subcontract agreement, initially for one student for one year, noting that it supported the College's inclusion strategy and opened up the possibility of supporting more such students in the future.

Action: The Committee agreed to recommend to the Board approval to sub-contract with Inclusion Hampshire, subject to due diligence. **Board**

1.16/16.17 Bad Debtor Report

The Committee approved the writing off of a bad debt totalling £1,417.

1.17/16.17 Barclays & HSBC Bank Mandates

Action: The Committee agreed to recommend to Corporation Board approval of the Principal being added to the College's bank signatories. **Board**

1.18/16.17 Pearsons Review

The Principal explained that the College considered the matter closed and she would seek verification of this from Pearsons. A final report on the actions undertaken and identified improvements would be brought to Audit Committee in the spring.

The Committee received the report.

1.19/16.17 Termly Safeguarding Report

The Deputy Principal drew attention to new appointments to the management of safeguarding and work on revising the College's Safeguarding and Child Protection policies. The Committee

commended the detailed Prevent strategy and action plan. It was reported that the Governor responsible for safeguarding was the Chair of Corporation. To further improve the Board's awareness of student safeguarding it was agreed that in future this report should be copied to the Board for information.

Action: Forward Termly Safeguarding Report to Board.

Board

1.20/16.17 Annual Health & Safety Report 2015/16

The Committee received the contents of the report and as with the previous item 1.19 agreed it should be seen by the Board.

Action: Forward Annual Health & Safety Report 2015/16 to Board.

Board

1.21/16.17 The Technical & Further Education Bill

The Principal explained that this new Bill, currently in its second reading in the House of Commons, would potentially introduce a new insolvency regime for FE colleges from 2018/19 and would seek to mirror insolvency arrangements for companies. Although the Government believed the risk of a college becoming insolvent should be very low following implementation of ABR recommendations, under this proposed legislation in the event of a college insolvency the Secretary of State could apply to put the college in education administration which would have the power to make transfer schemes, thus overriding the powers of the Corporation Board.

The Committee received the report.

1.22/16.17 Supply Chain Fees Policy 2016/17

Action: The Committee agreed to recommend to Corporation Board approval of the Supply Chain Fees Policy 2016/17.

Board

1.23/16.17 Safeguarding

The Deputy Principal explained that this substantially revised policy (and the following item 1.24) adopted the format provided by the Local Safeguarding Children Board which had been adapted to suit the college context.

Action: The Committee agreed to recommend to Corporation Board approval of the Safeguarding Policy.

Board

1.24/16.17 Child Protection Policy & Procedures

Action: The Committee agreed to recommend to Corporation Board approval of the Child Protection Policy.

Board

1.25/16.17 Student Charters – Sept 2016

The Deputy Principal explained that both charters had been updated to reflect the range of key concerns including the important issues of safeguarding, radicalisation and British values.

Action: The Committee agreed to recommend to Corporation Board approval of the two Student Charters.

Board

1.26/16.17 Any Other Business

The Committee discussed the substantial time commitment involved in considering the papers for this meeting. Some possible solutions which could be considered by SMT and the Board in 2017 were revising the front sheets to direct Governor’s attention to key matters and risk, and reviewing the workload of all Committees starting with a consideration of moving safeguarding and health & safety matters from F&GP Committee to C&S Committee.

1.27/16.17 Date and time of next Finance & General Purposes Committee meeting

Thursday 16th March 2017 at 10am.

The meeting closed at 12.17pm

Minutes agreed as being a true and accurate record by the Chair.

Signed:

Dated: