

FINANCE & GENERAL PURPOSES COMMITTEE

AGENDA NOTICE

<p>Finance & General Purposes Committee Meeting Date: Thursday 25th June 2015 Time: 10.00am Venue: Principal's Office, Farnborough College of Technology</p>
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- 10.00 **3.1 Opening of Meeting and Apologies for Absence**
- 3.2 Declarations of Interest**
- 3.3 Minutes of the last Finance & General Purposes Committee held 12th Mar 2015**
Chair of F&GP Committee Appendix 3.3
- 3.4 Matters arising from the minutes**

FINANCE

- 10.10 **3.5 Monthly Management Accounts report {circulated under separate cover}**
Report by Director of Finance
- 10.20 **3.6 Budget 2015/16**
Report by Director of Finance Appendix 3.6
- 10.45 **3.7 Capital Projects – Report by Director of Finance**
a) Update on progress small capital projects 2014/15 Appendix 3.7a
b) Approval of the tender for roof refurbishment project 2015/16 Appendix 3.7b
- 10.55 **3.8 HE Fees 2016/17**
Report by Deputy Principal Appendix 3.8
- 11.05 **3.9 Banking & Treasury Management Termly Report**
Report by Director of Finance Appendix 3.9
- 11.10 **3.10 HSBC – College Mandate**
Report by Director of Finance Appendix 3.10
- 11.15 **3.11 Bad Debtors**
Report by Director of Finance Appendix 3.11

PROPERTY/RESOURCES

- 11.20 **3.12 Building Projects Update**
Report by Director of Building Projects Appendix 3.12
- 11.30 **3.13 Health & Safety Termly Report**
Report by Deputy Principal Appendix 3.13
- 11.40 **3.14 Termly Safeguarding Report**
Report by Deputy Principal Appendix 3.14
- 11.50 **3.15 Instrument and Articles of Government Revision**
Report by Clerk Appendix 3.15
- 11.55 **3.16 Policies Schedule**
Report by Clerk Appendix 3.16
- 3.17 Any Other Business**
- 3.18 Date & Time of the next meeting**
Thursday 26th November 2015 at 10am - *To be confirmed*

Distribution List

Mr B Edwards - Chair

Mr A Cairns

Professor M Earwicker

Mr J Palfreyman

Mr R Rendel

Mrs C Slaymaker – Principal

Mrs J Bratt - Director of Finance

Mrs L Miles – Director of Resources

Mrs H Ramsdale – Vice Principal Curriculum & Learners

Mrs M Shepherd –Director of Building Projects

Mr I Wolloff – Deputy Principal

Mrs C Gillam – Clerk to Corporation

(Indicative timings for agenda items have been given in italics)

Farnborough College of Technology

Finance & General Purposes Committee

Minutes of meeting held on Thursday 25th June 2015

Present:

- Mr B Edwards - Chair of Committee
- Mr R Rendel
- Mrs C Slaymaker - Principal

In Attendance:

- Mrs J Bratt - Director of Finance
- Mrs M Shepherd – Director of Building Projects
- Mrs L Miles – Director of Resources
- Mr I Wolloff – Deputy Principal
- Mrs C Gillam – Clerk to the Corporation

Quorate: Yes

The meeting opened at 9.59am

Agenda Item	Minute	Action
3.1/14.15	Opening of Meeting and Apologies for Absence Apologies were received and accepted from Mr Cairns, Professor Earwicker, Mr Palfreyman and the Vice Principal.	
3.2/14.15	Declarations of Interest No declarations were noted in relation to the agenda items.	
3.3/14.15	Minutes of the meeting held 12th March 2015 Subject to an amendment to the date shown on page 1, the minutes of the last meeting were accepted as a true and accurate record and were signed by the Chair.	
3.4/14.15	Matters arising from the minutes <i>Item 2.4</i> SMT had considered different accountancy methods as requested. Currently the accounts recognise income and expenditure as they are incurred so the bulk of income is shown at the beginning of the year. If the college changed to a different system and tried to spread the income across the year then it would be estimating the spread and there would be a risk of mis-estimating. For this reason it was recommended that the College retained the current accounting system. This would also help with historical comparisons when looking at trends. <i>Item 2.12</i> The Director of Finance had confirmed with the banks that the interest the College receives is paid gross. Interest is shown as a separate item on page 8 of the accounts.	SMT
3.5/14.15	Monthly Management Accounts Report The Director of Finance noted that the College was showing a healthy surplus variance in the year to date but this was mainly	

resulting from a number of one-offs such as the additional SFA income both in-year and from a previous year, salary savings and the sale of the Windmill Road site. The May forecast was thus for a net surplus of £1.6m.

The Committee accepted the report on the May 2015 monthly management accounts.

3.6/14.15 **Budget 2015/2016**

The Director of Finance introduced a draft balanced budget set within the pressures of ongoing funding decreases and increases in NI and Teachers' Pension contributions. In order to achieve this balanced budget further work has been carried out to achieve efficiency in teaching hours and implementing cost savings.

With regards to income from funding whilst it was noted that EFA funding would increase (based on increased enrolments), SFA funding would fall. Adult skills funding is not a government priority and has been sharply reduced. The Committee was reminded that the BIS and DFE departments both face cuts of £450m each and it is not yet known where these cuts will fall. Regarding income from tuition fees there is a new increased tuition fee for Year 1 HE students but most of the additional income will be used for a new bursary scheme for year 1 HE students.

The Committee congratulated the Director of Finance and SMT for setting a realistic 'mid-point' budget in such an uncertain and difficult climate. It noted that the College was fortunate in its cash reserves even after the building of the UCF and that this money might be required to see the College through the next five years of declining demographics and funding cuts. The Principal reminded the Committee that the Director of Finance would oversee a project on modelling business sustainability in the coming year, and that the next phase of the Property Strategy might require some investment from the College's reserves.

The Committee re-iterated a concern that the College was asset rich but income poor and asked the SMT to keep investigating ways to utilise the College's fixed assets although it acknowledged that this was a difficult issue.

Action: The Committee agreed to recommend to Corporation Board approval of the budget for 2015/2016 and to recommend approval of the 2014-17 Financial Plan. **Board**

3.7/14.15 **Capital Projects**

a) **Update on Progress with Minor Capital Projects 2014/15**

The Director of Finance delivered an update on the minor capital projects previously agreed by the Committee and the Board. All projects would be completed by year end except for the theatre seating system at a cost of £20k which had been postponed pending a review of the use of the space.

The Committee received the update.

b) **Approval of tender for roof refurbishment project 2015/16**

The Director of Finance noted that £96k had been approved by the Corporation Board for roof refurbishment during 2015/16. The contract had gone to tender to five contractors as required by Financial Regulations. Following receipt of tenders it was recommended that the contractor submitting the lowest price, Heartfelt Roofing, be awarded the tender. They had also successfully completed a previous roof refurbishment in 2013/14.

The Committee noted that the wording of the Financial Regulations required them to recommend to the Corporation Board the five contractors selected to submit tenders, but then to note rather than approve the recommendation to award the tender to Heartfelt Roofing. It was agreed that this wording should be amended when the Financial Regulations were next reviewed.

Action: The Committee agreed to recommend the five contractors selected for approval of the Corporation Board. **Board**
The Committee noted the recommendation to award the tender to Heartfelt Roofing.

3.8/14.15 HE Fees – for entry from September 2016

The Deputy Principal reminded the Committee that at the equivalent meeting last year it considered and recommended an increase in HE fee levels which was subsequently approved by the Board. The new fee structure appeared to have had little effect on applicant numbers although the level of acceptances in September remains to be seen. The HE market is a difficult almost completely de-regulated market and nationally there are 172 institutions charging a fee above £6k.

The Committee considered and approved the recommendation to retain the existing fee structure.

Action: Recommend the same fee structure agreed for entry in September 2015 to the Board for students beginning in September 2016. **Board**

3.9/14.15 Banking & Treasury Management Termly Report

The Director of Finance informed the Committee that deposits had been placed in all approved accounts except for that held with HSBC as their interest rates were so low.

The Committee received the Termly Report.

3.10/14.15 HSBC College Mandate update

- a) The Director of Finance noted that the new Head of Finance had been added as a signatory to all the College's bank accounts but that HSBC required a Corporation resolution to do so. The Committee recommended approval of the new Head of Finance being added to the bank's signatories and thus the signing of the HSBC mandate.

Action: Recommended the signing of the HSBC mandate. **Board**

3.11/14.15 Bad Debtor

The Committee approved the writing off of the two small debts and suggested that the SMT consider a reduction in the provision for bad debts in future. It was agreed that students' details should be further anonymised to prevent potential identification.

3.12/14.15 Building Projects Update

The Director of Building Projects informed the Committee that the contract with Mace to build the UCF had been signed and work to set up the site would start next week. The new building would be operational for the start of the 2016/17 academic year.

Regarding the Condition Fund Project the Committee was reminded that the College had been successful in a bid for a SFA Capital Condition Fund Grant which contributed £540k towards items in the Property Strategy. However, a problem with national glazing shortages plus the tight timescale for the completion of the works meant that the re-cladding of G block aspect of the project did not go ahead. The SFA has agreed to consider other works in place of the re-cladding as long as it complies with the criteria set out in the grant application documents but there will be limited scope to include such works. It is therefore possible that around £210k of grant funding may need to be repaid to the SFA.

The Committee noted the update.

3.13/14.15 Health and Safety Termly Report

The Committee received the report noting the rolling programme of Health and Safety audits, and the low number of accidents and incidents.

3.14/14.15 Termly Safeguarding Report

The Committee discussed the continuing programme of safeguarding training and the actions the College was taking to meet the new Prevent duty requirements including incorporating Prevent awareness into the tutorial programme. The Committee also noted some particularly difficult student issues.

The Committee received the report.

3.15/14.15 Instrument and Articles of Government Revision

The Clerk informed the Committee that the majority of changes proposed were to remove obsolete references within the Instrument and Articles. However a letter from the SFA had been received that morning giving notice that under the 2015 Deregulation Act the post of 'Chief Executive of Skills Funding' had been abolished and their powers transferred to the Secretary of State for Business, Innovation and Skills. It was therefore agreed that the Instrument and Articles be further amended before the Corporation Board to incorporate this change.

Action: Recommended the amendments contained in the paper and as a result of the SFA letter to the Board **Board**

3.16/14.15 Policies Schedule

The Clerk and the Principal set out the list of policies which should probably be approved by the Corporation and its associated Committees. It was not an exhaustive list but represented a sensible starting point and other policies could be added as appropriate. The Committee recommended approval of the list to the Board noting that the timing of each policy review may also be subject to legislative changes and thus may require intermediate action.

Action: To recommend to the Board approval of the policies **Board** schedule.

3.17/14.15 Any Other Business

The Committee congratulated the Director of Finance for her reports which had constituted the bulk of the meeting.

3.18/14.15 Date and time of next Finance & General Purposes Committee meeting

Thursday 26th November at 10am.

The meeting closed at 11.36am

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

Signed:

Dated: