

MINUTES

Finance & Resources Committee No. 1

Date: *09/09/2014 (Tuesdays)*

Time: *18:00–20:00*

Venue: *Rural Business Centre*

Committee: *Finance and Resources*

Notes: *Refreshments will be available from 5.30pm.*

Present: *Ann Turner (Principal), Clare Platt, Ian Douglass (Vice Chairman), Ian Higginbotham (Chairman) and Stuart Heys*

Attending: *Jennifer Eastham (Deputy Principal) and John Wherry (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Apologies: *Tony Hindle*

Public Minutes

Item number: Item description:
(and category)

01.14 ***Attendance of College Management Staff***

Decision **Welcome**

The Chairman of Finance & Resources Committee welcomed all to the first meeting of the new Committee. The Committee having been formed from the previously separate Finance Committee and Resources Committee.

Attendance of College Management Staff

Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states:

College Management and / or consultants may attend meetings by invitation in an advisory capacity.

Resolved:

That College Management staff be invited to attend the meeting.

02.14 ***Apologies for Absence***

Record

Apologies were received from Tony Hindle and Stuart Heys.

03.14 ***Appointment of Vice Chairman of the Committee***

Decision

*Corporation minute 41.14 refers*Section 9 of the current Constitution and Terms of Reference for the Finance Committee states:

- 9.1 The Committee shall have both a Chairman and Vice Chairman.
- 9.2 Both Chairman and Vice Chairman will be determined and appointed by the members of the Committee.
- 9.3 The Chairman of the Corporation may not be appointed Chairman of the Committee.
- 9.4 Both the Chairman and Vice Chairman shall serve for one year.
- 9.5The Chairman and Vice Chairman shall be eligible for re-election.

At its meeting on 15 July 2014, following due process, Corporation appointed Ian Higginbotham as Chairman of the Finance & Resources Committee for the academic year 2014 to 2015. The appointment ensured the Committee was not without a Chairman following the retirement of the previous Chairman, Dick West from the Board on 31 July 2014.

Following due process Ian Douglass was appointed as Vice Chairman of the Finance & Resources Committee.

Resolved:

That Ian Douglass be appointed as Vice Chairman of the Finance & Resources Committee with immediate effect to 31 August 2015.

04.14

Public Minutes of Previous Meetings

Decision

The public minutes of Finance meeting number 15 held on Tuesday 21 May 2014 were confirmed and signed as a true and correct record.

05.14

Declaration of Interests

Record

Members of the Committee were asked to declare any interests they may have in respect of items on the public agenda. No declarations were made.

06.14

Strategic Plan Finance Committee

Decision

6.14.1 Strategic Plan Report 2013 / 2014 Final

Consideration was given to the Strategic Plan Final Report for 2013 / 2014 relevant to the previous Finance & Resources Committees which indicated performance towards target using a traffic light system and directional arrows to indicate trends.

We will continue to build and enhance our brand and reputation for excellence within the land-based and sports sectors.

Recruitment There was some variation from targets notably a shortfall in recruitment of Apprentices over 18. Members questioned management on the trends and performance against the targets and referred back to the monitoring over previous meetings. Looking at the performance in a national context it was noted that Myerscough's recruitment for apprentices was ahead of national trends particularly for the core business of 16 to 18 year olds.

Further Education recruitment had met target though to maintain numbers some had been recruited via subcontractors.

Higher Education showed a downward trend in the take up of part time places, full time recruitment being just below target. There was a shortfall of approximately 2% against the income budget.

In response to questions members received information about national trends and funding and noted the transfer of the Farriery students. There was a further question regarding the spread of

educational activities with regard to a variety of factors including funding which was answered to the satisfaction of the Committee. Now into year three of the fee changes for Higher Education the vast majority of students were now under the new fee regime.

24plus loans for FE students had been introduced with good take up, beyond expectations at Myerscough.

The current government policy showed reductions in adult funding and reductions from the SFA, though the next year would show an increased rate for land-based students. The Committee agreed that these were factors that were taken into consideration in strategic decision making and in deciding where they should build capacity.

Income – grants, International activity, research income
Targets were exceeded

We will deliver great value for money
The Skills Funding Agency had confirmed the College's financial health was outstanding. Financial key performance targets had largely been met and Committee commended the performance and predicted final income.

6.14.2 Strategic Plan Key Performance Indicators for 2014 / 2015

Finance & Resources Committee gave consideration to the proposed Key Performance Indicators for Finance & Resources Committee for the academic year 2014 / 2015.

These included targets agreed at Corporation plus some additional targets for Finance & Resources Committee around the Capital Plan, Human Resources and Learner Feedback.

The Committee discussed management of expectations and received assurance that the College compared well with other institutions concerning computer resources. Following consideration Finance & Resources Committee requested particular attention be placed on the continuing improvements regarding computer resources.

Following due consideration it was

Resolved:

- I. **That the Strategic Plan Report 2013 / 2014 be received.**
- II. **That the Strategic targets for 2014 / 2015 be agreed as submitted**

07.14

Consultation

Financial Position Statement for the period ended 31 July 2014

Consideration was given to the Financial Position Statement for the twelve months ended 31 July 2014.

The management accounts showed the College had generated a surplus which had exceeded budget. The surplus as a percentage of income (Pre FRS17) was 4% which would ensure a surplus would be recorded after adjustments to the accounts following notification of the FRS17 accounting charge. The charge was expected to be similar to previous years and constituted no payment of actual money but non cash charge to the I and E account and corresponding balance sheet entries.

The balance sheet remained healthy with the cash position remaining strong. The current ratio was 1:1.31 and cash days amounted to 70.70.

No material uncertainties leading to significant doubt over Myerscough being a 'Going Concern' had been identified. The outcome provided a score of 'Outstanding' for financial health.

In response to questions Finance & Resources Committee noted: College was on target to deliver the forecast outturn. Myerscough Ventures had made a positive contribution but was behind profile.

Educational contribution had fallen due to the use of sub-contractors which ensured number quotations were realised and numbers and hence income was secured and protected for the next academic year. Members discussed the subcontracting arrangements and it was noted College did plan to continue using such but at a lower level.

Future reports would clarify the deferred income and deferred outgoings.

After due consideration the Committee concluded that the accounts continued to show the College was in a sound financial position and objectives had been achieved.

Resolved:

That the Financial Position Statement for the period ended 31 July 2014 be accepted and approved as submitted subject to final accounting adjustments.

**08.14
Information**

Investment Funds Including Interest to 31 July 2014

Consideration was given to the report on investments for the twelve months ended 31 July 2014.

Total cumulative interest received on cash balances at the bank amounted to £32,267 at 31 July 2014. The total cash invested at the bank amounted to £5,269,142 which included £9,441 invested in the

Euro account held by College as Lead partner in a Leonardo project. Monies from this account would be transferred to Partners and to the Colleges current account in line with funding claims.

Resolved:

That the statement detailing investment funds including interest to 31 July 2014 be received.

09.14

Consultation

Capital and Revenue Cash Flow for the Period ending 31 July 2014

Consideration was given to the Capital and Revenue Cash Flow for the period ending 31 July 2014. The document Included financial figures concerned with Capital Developments and potential loans and was subject to change dependent upon decisions around these matters.

In relevant financial reports a close measurement of debt repayment cover would be shown as a statistic and this would be constantly monitored.

Resolved:

That the statement detailing the capital and revenue cash flows for the period ending 31 July 2014 be accepted and approved as submitted.

10.14

Consultation

Myerscough Ventures Report for the Period Ended 31 July 2014

Finance Committee gave consideration to the Myerscough Ventures financial performance report based on the management accounts for the twelve months ended 31 July 2014.

The contribution excluding the Farm was £1,653,110 which was slightly behind target. With inclusion of the Farm, the contribution dropped to £1,595,666.

The contributions to overheads were shown after the allocation of direct costs associated with the activity. All areas showed a positive contribution apart from the Farm.

All areas were slightly behind target apart from Equine Operations and Catering Operations.

Events showed the biggest variance. Though external bookings had been secured, these companies were unable to deliver the numbers they had promised with the inevitable fall in income.

Members were pleased to note Horticulture performance was positive. This was below target, as expected, due to the impact on the area through projects agreed within the capital plan. Members noted the demolition of old glass houses and build of new facilities. Finance & Resources Committee noted the industry relevant student experience gained through Horticulture operations and commented that areas the public had access to must reflect Myerscough as a quality organisation.

Financially the Farm had performed better than previous years but still showed a loss. In terms of student experience a positive and extremely busy year was recorded. It was noted the Farm carried additional costs to the other Ventures activity and final accounts would include a further 15k income. Committee continued to support the Farm and noted the continuing focus on cost control but did ask for closer accuracy in the budget target even if it did mean a negative contribution. Committee recognised its value as an educational resource and its place within future and current strategic plans.

Resolved:

That the Financial Performance Report on Myerscough Ventures for the period ended 31 July 2014 be received as submitted.

11.14

Consultation

Capital Expenditure Report – 31 July 2014

The report showed that the projects were being delivered within agreed parameters and within timeframes.

Explanations were provided around the VAT status of the Skills building and successful application to HMRC. Finance & Resources Committee received assurance of appropriate action and any financial liability should the use of the building change in years to come.

After full discussion the Committee expressed its continued satisfaction with the progress made on the projects.

Resolved:

That the Capital Expenditure Report to 31 July 2014 be received as submitted.

12.14

Decision

Going Concern

'Going Concern' is a fundamental accounting concept for the preparation of financial statements. Corporation was required to satisfy itself that it would be reasonable to prepare the College's financial statements on a 'Going Concern' basis.

Following consideration of the report prepared by the DP Finance & Funding the Committee concluded that no material uncertainties had been identified leading to significant doubt about 'Going Concern'. A statement to this effect would be included in the financial statements

Resolved:

That Finance Committee recommended the assumption of 'Going Concern' in the preparation of the Colleges Financial Statements.

13.14

Consultation

Overseas Visits Annual Report for the year ended 31 July 2014

Consideration was given to the Report on Overseas Visits for the Year Ended 31 July 2014. The contributions from third parties resulted in a cost to the College of £6,224 for 21 overseas visits to the value of £104,424. The report indicated the participation of students. A further amount was due to be added to income further reducing the cost to the College.

Following due consideration Finance & Resources Committee agreed the overseas trips provided worthwhile opportunities and experiences for the students and for those involved in research and networking on an international level.

Resolved:

That the Overseas Visits Annual Report for the Year Ended 31 July 2014 be received.

14.14

Decision

Approval for Additional High Value Credit Card

The Board had previously approved the controlled roll out of credit cards to managers across College, at present 26 cards with a credit limit of £4k and a transaction limit of £500 were in use by managers, plus a further high value card, held by the Principal, with a credit limit of £55k and no transaction limit. The Principal's card was also used to book overseas trips, hotels, internet orders, up-front deposits etc. across the College. Due to the size and frequency of transactions, verification calls were regularly received, which required a response directly from the card holder. This was no longer a workable solution.

Approval was given for a second high value credit card, this card would be in the Deputy Principal Finance & Funding's name and would be held in the safe in Finance. The card would be used for the cross College transactions, leaving the Principals card for her own business use, and as a back-up for the new card. Finance & Resources Committee wished to ensure management had the flexibility they required. In response Management expressed satisfaction with the current arrangements but

would refer to the financial regulations and examine common practice in the sector and report back around authorisation limits.

Resolved:

That an additional high value credit card with a credit limit of £55k in the Deputy Principal Finance & Funding's name be approved.

15.14

Decision

Annual Cycle of Business 2014 / 2015

The annual cycle of business 2014 / 2015 for the Finance & Resources Committee was given consideration.

Resolved:

That the Annual Cycle of Business 2014 / 2015 for the Finance & Resources Committee be agreed.

18.14

Consultation

College Value for Money Policy Review

The College Value for Money (VFM) Policy and associated schedule of goods and services reviewed under the policy was last considered by the Finance Committee at meeting 11 held on 10 September 2013.

Finance & Resources Committee gave consideration to the College Value for Money Policy and associated schedule of goods and services which included details of savings.

A Procurement Officer shared with Wyre Council had been in position for the last 2 years, appointed with the intention of realisation of efficiencies in practices and economies of scale. Successes this year included a reduced tariff with vodaphone, a meats contract, furniture framework, print and design, and legionella testing. Projects in progress include the outsourcing of cleaning, an animal feeds framework, and the possible transfer of mail services to TNT.

Resolved:

That the College Value for Money Policy Review be received.

