

MINUTES

Finance & Resources Committee No 20

Date: *21/11/2017*
(*Tuesday*)

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 (Vice Chairman), Ian Higginbotham (Chairman), Sarah Burdaky and Stuart Heys*

Attending: *Janet Whiteside and John Wherry (Deputy Principal)*

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

Guests: *Richard Morris and Will Cotton*

Apologies: *Richard Furnival*

Public Minutes

Item :
number:

:

91.17 Attendance of College Management Staff and External Auditors Decision

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.

The Chair Welcomed Will Cotton, external auditor to the meeting. A welcome was also extended to Richard Morris, who would be taking up his position in the new year as Deputy Principal Finance & Corporate Services. The Vice Principal Alison Robinson, who would be taking up the position of Principal & Chief Executive in April 2018 was also in attendance and welcomed.

It was the last meeting for the Vice Chair of Finance & Resources

Committee, Clare Platt. Clare's second term of office would expire on 31 December, therefore she was retiring from the Board. The Chair acknowledged her good works for the Committee and the College and noted the effective balance of skills on the Committee through her knowledge in the Resources aspect of business and her role as Safeguarding Governor. The sentiment was echoed by staff and Committee members. Clare responded appropriately. Clare would be attending the Christmas lunch and her final meeting would be the December Corporation.

Resolved:

That College Management Staff and a representative of the External Auditors attend the meeting.

92.17 ***Apologies for Absence***

Record

Apologies for absence had been received from Richard Furnival.

93.17 ***Public Minutes of Previous Meeting***

Decision

The public minutes of the Finance and Resources Committee meeting number 18 held on 5 September 2017 (published on the extranet) were signed and agreed as a true and accurate representation of the meeting

94.17 ***Declarations of Interest***

Record

There were no declarations of interest made in respect of items on the public agenda.

95.17 ***Strategic Plan Progress Report***

Decision

The Committee gave consideration to the Strategic Plan Progress Report for the Finance and Resources Committee. The item was considered after item 95.17.

The key performance indicators related to recruitment, the Capital Plan, Human Resources Statistics and financial performance.

Recruitment for 16 to 18 year olds was below target at this point but once recruitment completed for all schemes, it was anticipated that the target would be reached. This would secure income for the next academic year as funding was lagged which in turn meant the income for this academic year would remain unaffected.

Higher Education numbers were below target but in part this was due to the lower numbers progressing to the second year of study. The first year intake was slightly up on the previous year. A split on the report would illustrate and help with future interpretation.

Apprenticeships recruited to roll on roll off programmes. Numbers

were healthy and income, though slightly below target, was due to increase. Members noted growth was predicted.

Key performance indicators on financial performance, delivery of the capital plan and staff sickness were being met.

Members were mindful of their responsibility to scrutinise the figures to satisfy the Board on progress. They considered the report in detail and commented that responses to their questions provided assurance and explanations that College was on track to deliver to targets. A written paper on recruitment and more details of 'red' areas would provide clarity and alleviate concerns.

Members noted the surplus before interest was ahead of plan.

Members noted the time frames for review of the current Strategic Plan and that a review was scheduled for late April or early May when recruitment to senior post holder positions was complete and Alison Robinson would be in post as Principal.

Resolved

That the Strategic Plan Progress Report be received.

96.17
Decision

Financial Statements Auditors Report and Financial Statements for the Year Ended 31 July 2017 and Audit Findings Report

This item was taken prior to item 94.17.

The Audit Findings Report for the year ended 31 July 2017

This document was provided for members' information and had been considered and commended to Corporation by the Audit & Governance Committee at their meeting on 7 November 2017. The external audit representative went through the Findings Report for the benefit of the Committee.

The Auditor confirmed RSM would sign the Opinion on the Financial Statements.

The Auditor confirmed RSM would sign the regularity conclusion. Both statements were lodged within the 'Myerscough College Report and Financial Statements for the year ended 31 July 2017'.

Report and Financial Statements for the year ended 31 July 2017

The document had been presented to the Committee's previous meeting as the pre-audited accounts. The headline figures reported to the meeting had not changed

The external audit representative went through the document with members discussing matters and asking questions throughout.

The report outlined the nature, objectives and strategies of the College and its legal status. The College is classed as an exempt charity and so the Governors are classed as trustees and give regard to public benefit through the advancement of education as noted in the document.

In terms of the challenges within the sector, the College showed a good financial position. There was growth in income and a surplus was generated in the year of £131k after a loss on disposal assets of £4k. The impact of the local government pension scheme was an accounting charge of £1,106k to the statement of comprehensive income.

The statement concerning the College's regularity, propriety and compliance with the funding bodies' terms and conditions was noted and would be signed by the Chair of Corporation and the Chief accounting Officer (Principal) once approved.

Members gave attention to the detail around income and expenditure noting an increase in income. They also commented on the treatment of the Croxteth long-term lease. They noted the Pension Scheme's actuarial loss. Investment performance had improved so there should be a more favourable position this year in terms of the FRS102 accounting treatment.

During discussion it was concluded that the accounts presented a sound financial position and reflected the management accounts as presented throughout the year.

The Auditor commented that the audit had been a smooth process and commended the College's preparations and quality of work with information produced to a high standard and thanked Janet Whiteside and the Finance team for their help and assistance. In turn, Management passed thanks to the auditors, noting the professionalism of the team and acknowledging constructive discussions.

Members expressed satisfaction with the discussions and agreed an external audit representative would not be required to be in attendance at the Corporation meeting on 12 December 2017 when the accounts would be presented for final approval by the Chair of Finance & Resources Committee.

The external Auditor, Will Cotton left the meeting after this item and the agenda returned to its listed order.

Resolved:

That the audited Annual Accounts and Members Report for the year ended 31 July 2017 be commended to the Corporation for approval.

97.17 ***Myerscough College Financial Plan 2017 - 2019 & Financial Health***
Information

The College has received a letter from the Education and Skills Funding Agency regarding the Financial Plan for 2017 - 2019 and confirming the Financial Health of the College remained "Good".

The letter also included the financial dashboard for the College which provided comparisons with all other colleges.

Resolved:

That the Myerscough College Financial Plan 2017 to 2019 and Financial Health be noted

98.17 ***Student Union Annual Accounts for the Year Ended 31 July 2017***
Decision

Consideration was given to the Student Union annual accounts for the year ended 31 July 2017.

The MSU receives £9,000 from College funds for each academic year.

The cumulative fund as at 31 July 2017 was £18.5k.

Purchases had included table tennis equipment, smoke machine, x-Box

Income had exceeded expenditure. The accounts showed the Association remained solvent.

The Committee expressed satisfaction with the accounts.

Resolved:

That the Myerscough Student Union Audited Annual Accounts for the year ending 31 July 2017 be approved.

99.17 ***Financial Position Statement for the Period Ended 31 October 2017***
Decision

The results for the period ending 31 October 2017 showed the College generating a surplus which equated to 7% as a percentage of income.

The balance sheet remained healthy with cash balances of £5.6 million and cash days of 68.

Investment income remained affected by low interest rates though opportunities were being explored following the base rate increase.

The Committee made reference to various aspects of the report noting that income was in line with budget.

The Farm budget was being closely monitored and to date was achieving phased budget. The farm received further consideration

under the Myerscough Ventures item, minute 102.17 refers.

Resolved:

That the Financial Position Statement for the period ended 31 October 2017 be received.

100.17
Decision

Myerscough Ventures Report for the Period Ended 31 October 2017

Consideration was given to the Myerscough Ventures Financial Performance Report for the period ended 31 October 2017.

At the end of the first three months the income contribution from Myerscough Ventures was above profile providing a total contribution of £311,290. With inclusion of the Farm, which was not part of Ventures but was routinely reported at this part of the meeting as a commercial activity, the total was £271,290.

Contributions to overheads was shown after the allocation of the direct costs associated with the activity.

Equine Operations - Equine Events had been quieter than anticipated.

Sports and Golf Academy - A good start to the year. The significant contract with Blackpool Football Club continues.

Residential Operations -Occupancy was up on the previous year. Some one-off furniture costs resulted in the area being slightly behind profile.

Catering Operations - The area was ahead of target benefiting through the increased numbers of residential students.

Horticulture - The area was behind profile. Tours remained popular.

Stumble inn - The area was ahead of target.

Events - The area was slightly behind target. Numbers for Easter bookings looked promising.

Farm - The Farm was currently performing to budget. Members noted the additional detail in the report, which gave predictions on potential areas of concern and how these would be mitigated. Finance & Resources Committee requested a Farm Action Plan be made available to members following the meeting. They requested that the Food Farming Innovation & Technology Centre (FFIT) be listed and reported on separately so they could be aware of activities and see how the return on investment would materialise.

The Committee noted the explanations and the focus on primary purpose of the College. Myerscough Ventures continued to make a positive contribution to the College.

Resolved:

That the financial performance report on Myerscough Ventures for the period ended 31 October 2017 be received.

101.17
Decision

Capital Expenditure Report for the Period ended 31 October 2017

Total expenditure against the annual budget of £3,924k for 2017 / 2018 amounted to £665k at 31 October 2017.

The Committee noted progress made on the capital projects and that the report was in line with expectations and to agreed tolerances.

Resolved:

That the report on Capital Expenditure for the period ended 31 October 2017 be received as submitted.

102.17
Decision

Statutory Risk Register

Members gave consideration to those elements of the Risk Register applicable to Finance & Resources Committee.

Risks were arranged in categories, Financial, Estates and Human Resources and risks were ordered according to severity. Changes were in italics. For future reports, changes would be highlighted.

Members noted the risks identified were firstly classed as 'Inherent Risks'. Actions taken to mitigate this risk resulted in the 'Residual Risk'.

Members received an update on actions and noted a full review of short courses was being arranged.

Resolved:

That the Statutory Risk Register for Finance & Resources Committee be received.

103.17
Decision

Human Resources Statistics for the Period Ended 31 October 2017

The report contained analysis of staff turnover, breakdown and analysis of leavers, staff stability index, staff sickness statistics and the Staff Survey Action Plan.

Staff turnover had increased, at 13.04% but remained below the AoC

benchmark. Members noted the main reasons for leaving were promotion, relocation, retirement and level of pay.

Sickness continued to be monitored, and had met College targets, the overall sick pay total had reduced.

Members noted continued activity in policy updates, reporting statistics and HR engagement with staff for training and information sharing purposes.

Resolved:

That the Human Resources Report be received.

104.17
Decision

Health and Safety Report for the Period Ended 31 October 2017

Members gave consideration to the Health and Safety Report for the period ended 31 October 2017 which included a summary of key strengths, areas for improvement, actions taken and the impact, and further actions planned and expected impact.

Accidents were depicted by area as well as cause.

There had been 1 RIDDOR reported accident which did not require further investigation.

A high accident rate was reported from the Witton campus in East Lancashire and a low incidence of reporting was noted from the Croxteth Campus in Merseyside. Visits were planned to further investigate.

The highest rate of accidents was under the category 'Other / Health'.

A Health & Safety audit of Foundation Learning had been carried out and Action Plan agreed.

Many staff had taken advantage of free flu injections offered at the College.

Slips trips and falls made up the greatest number of accidents.

Members were pleased to note the importance attached to the reporting of 'near misses'.

RSM, the College internal Auditors had carried out an audit on Disaster, Recovery and Contingency Planning. From the audit there were three low level actions identified.

There had been a successful desk top exercise to test the emergency manual, an action plan produced which included staff training and

communication of the plan.

The Health & Safety College Self-Assessment Grade was a 1.

Resolved:

That the Health and Safety Report for the period ended 31 October 2017 be received.

105.17
Decision

Terms of Reference of the Finance and Resources Committee

In line with the Code of Good Governance Finance & Resources Committee considered its Terms of Reference and agreed they remained fit for purpose.

Members noted a full and detailed review the previous year had resulted in no changes required.

Resolved:

That the Finance & Resources Terms of Reference be agreed as submitted.