

Minutes of Finance and General Purposes Committee Meeting held on Wednesday 12 February 2020

Present Amanda Allen (*Chair*), David Williams (*Principal*), Peter Coley

In attendance Jacquie Carman (*Director of Finance and Corporate Services*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies for Absence

Apologies were received from Helene Jones.

2 Declarations of Interest

There were none.

3.1 Minutes

3.1 Minutes of the Finance and General Purposes Committee held 21 November 2019

The minutes of the Finance and General Purposes Committee held 21 November 2019 were approved as a correct record.

3.2 Confidential Minutes of the Finance and General Purposes Committee held 21 November 2019

The confidential minutes of the Finance and General Purposes Committee held 21 November 2019 were approved as a correct record.

3.3 Matters Arising

Under actions from meetings, with reference to the Finance and General Purposes Committee meeting held 21 November 2019:

Item 3a Finance and General Purposes Strategic Update – Payroll Solution

Jacquie Carman reported that the College had organised use of reliable payroll software and would run tests in parallel with current payroll provision, with a view to implementing fully thereafter. The finance team were confident and further specialist support had been provided.

Items 5a-c Review of Planning and Investment - Options Strategy / Estates Plan – Estates Strategy

Item 5a members noted the College awaited further clarity on future capital funding, however, further plans had been submitted. The revised Estates Strategy remained pending further information.

Item 5b members noted that tracking of costs on capital schemes would be addressed under the current meeting agenda item LEP Funding Update.

Item 5c members noted that the Digital Strategy report was provided on the current meeting agenda.

Item 14a Health and Safety Annual Review and Policy Statement

Members also noted that Health and Safety reporting was addressed under the current meeting agenda.

4 Items for Discussion and Approval/Recommendation to Corporation

4a Financial Update

4a(i) Management Accounts as at 31 December 2019

Jacquie Carman highlighted key points in the management accounts, as at the end of the calendar year. Overall performance against financial ratios was strong and there was good performance by Halesowen College Enterprises Limited. In addition, the aged debt profile was improving.

Members asked questions about the amber rated financial ratios. Jacquie Carman responded that though cash days in hand had dipped, due in part to the necessary investment in the College, that this ratio would lift to the current target of 180 cash days in hand. With regard to the ratio reserves as a percentage of income, it was noted that there had been a slight dip and that the target should be revised to 90%.

Members further discussed the costs for printing, the recent changes to process and the overriding strategy to support staff to transition to more digitised methods of working.

The Finance and General Purposes Committee having discussed the Management Accounts as at 31 December 2019, noted the information, and agreed that the target for reserves as a percentage of income be revised to 90%.

4a(ii) Budget Update 2019/2020

Members discussed the second revision to the current year budget, which illustrated that the College remained in a strong position.

In particular members interrogated the details pertaining to additional cost pressures increasing the non pay budget. Jacquie Carman outlined changes to accommodation costs to offset capital work on the Whittingham Road site. In addition to increased recruitment and estate costs, there were additional transport costs for inter-site buses.

The College had received confirmation about the Teachers' Pension Scheme financial support, and there had also been an upturn in apprenticeships. Additionally, the College forecast savings in payroll delivery.

Jacquie Carman confirmed that the College budgeted surplus had strengthened and that the College remained on course to achieve its financial targets.

The Finance and General Purposes Committee resolved to recommend to the Corporation the approval of the Budget Review dated 12 February 2020.

4b ESFA Forecast Return - Integrated Financial Model for Colleges

Jacque Carman reported on work in progress, in relation to the new requirement for colleges to demonstrate to the ESFA their current financial planning, as at 30 November. This return should be able to project financial robustness two years forward, with regard to cash and profitability.

Members discussed the particular difficulties the sector was experiencing with the software provided for College returns.

As the return required Corporation approval, a meeting prior to the 28 February deadline would be arranged.

The Finance and General Purposes Committee noted the position, and that a meeting of the Corporation would be arranged to approve the return to the ESFA under the new Integrated Financial Model for Colleges.

4c Budgeting Policy 2020/2021

Members considered the budget setting and resource allocation policy and process including the planned timetable. The rationale of the process was in supporting the needs of learners, whilst meeting the Corporation's required responsibilities. The process was closely linked to curriculum planning.

Members asked questions on the approach to value for money, and Jacque Carman outlined the wide range of drivers addressed in the Value for Money Annual Report, which included curriculum, class size and deployment of staff.

David Williams informed members that the College was moving to a model for costed course/curriculum area contribution rates and, in response to questioning, responded that assurance would be provided through future reports provided with costs at curriculum level.

Following further discussion, member understanding was that a more holistic model would evolve, which would provide assurance reports on closely related factors such as class size, costs, quality and outcomes.

The Finance and General Purposes Committee resolved to approve the Budgeting Policy 2020/2021.

4d Tuition Fees Policy 2020/2021

Jacque Carman stressed the importance of a fees policy which was derived fairly, clearly communicated to learners, with payment collected promptly. There were no fundamental changes made from the previous year.

Members noted that learners needed to be very clear when signing an agreement with regard to how fees would be collected.

The Finance and General Purposes Committee resolved to approve the Tuition Fees Policy 2020/2021.

5 Items for Reporting and Noting

5a LEP Funding Update (including progress on Capital Build and Grant Targets)

Jacque Carman updated members on progress against current capital works.

It was pleasing that Block 2 had been completed and was now being utilised. Block 4 was now undergoing work and Block 5 work would be phased to enable much needed classroom space to be available in September 2020.

Members asked about the planned completion date and the management of issues such as car park congestion. Jacque Carman responded that completion was planned for December 2020 and that additional parking had been secured as an interim measure.

With regard to grant targets, members considered the reported outputs. With reference to the Coombs Wood LEP, Jacque Carman explained that some outputs had since been removed and the scope of others had broadened. The College was confident in achieving targets.

Members discussed revised cost plans and budget spend on fittings and technology.

With regard to debt charge release going forward, Jacque Carman reported that she had asked for clarification on both how this is released at the end of a capital project, and how local colleges can move forward regarding LEP grant release on potential new projects

The report was noted.

5b Review of Digital Strategy

Jacque Carman reported that the revised Digital Strategy had a clear purpose and supported the Teaching and Learning Strategy.

With regard to action plans against each strand of the strategy, members asked about monitoring groups and outputs. Jacque Carman explained that each group had appropriate staff and remit.

The strategy report and action plans within were noted.

5c Revised Halesowen College Enterprises Ltd Business Plan

Members discussed the purpose and business plan needs for the future. Jacque Carman noted that the review was timely, given the additional areas of business being addressed by the company. Members also discussed the need to consider appropriate profitability of areas going forward, with continued focus on profits being passported to support learners.

The revised Halesowen College Enterprises Ltd Business Plan was noted.

5d ESFA Funding Update and Impact on 2021 Financial Model

With reference to the economic factors considered by members during their strategic planning day in January 2020, Jacque Carman reported on information now known, which would impact on the 2020/2021 funding methodology.

The College's shortfall in the current year would result in less funding under the lagged model. However, the increase in base rates together with other increased areas of funding, as reported to the Corporation and Committee, should result in the forecast increase in overall income. This was a cautious review as contracts had not yet been released.

Members were mindful not to be complacent and discussed the current levels of student applications, which were monitored weekly by managers. The effects of marketing and further work to support the A Level offer were also discussed.

The funding update and implications were noted.

5e Review of Financial Regulations

Members noted that it was sensible to delay the revision of the Financial Regulations, to allow changes to payroll to be implemented, and additionally the settling of the new Corporation committee system.

Action 5e

It was agreed that both Financial Regulations and Finance and Resources Committee Terms of Reference would be returned to the Committee's 23 June 2020 scheduled meeting.

5f Minutes of the Estates and Health and Safety Group

Members asked what precautions the College was taking in light of information about the Coronavirus. Jacquie Carman responded that information from Public Health England was being utilised, and that in addition to increased focus on hygiene arrangements, information was going out to staff and students.

5g Updating of the Health and Safety Policies

It was noted that minutes and policy and procedure had been provided as part of Corporation assurance, that the Health and Safety Framework was well managed with regard to statutory responsibilities, staff training and adherence to policy and procedure.

Members received the executive summary in relation to procedures on First Aid Provision, Risk Assessment of Activities, Locations and Equipment and Control of Substances Hazardous to Health and Dangerous Substances and Explosive Atmospheres Regulations.

6 Any Other Business

There was none.

7 Date of Next Meeting:

The next meeting is scheduled for Tuesday 23 June 2020.

The meeting closed at 7.55pm

Actions from Meetings			
Ref	Agenda item and action	Date/item for review	Reported by
Finance and General Purposes Committee - 21 November 2019			
5 5a	<p>Review of Planning and Investment - Options Strategy / Estates Plan</p> <p>The Finance and General Purposes Committee considered the current accommodation position, developments and potential future changes, noting that a revised Estates Strategy for 2020 with indicative budgets for 2020/2021 onwards would be provided at the next meeting for Committee consideration.</p>	February 2020	JCa
Finance and General Purposes Committee – 12 February 2020			
5 5e	<p>Review of Financial Regulations</p> <p>It was agreed that both Financial Regulations and Finance and Resources Committee Terms of Reference would be returned to the Committee's 23 June 2020 scheduled meeting.</p>	June 2020	JCa/JSu