

**Minutes of the Finance Committee
held on Tuesday 3 July 2018 at 8.00am
In Room 814
at Matthew Boulton Campus**

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| Present: | Apologies: |
| Hilary Smyth – Allen (HA) – Chair | Steve Hollis (SH) |
| Veronica Docherty (VD) | |
| Andrew Cleaves (AC) | |
| Joel Blake (JB) | |
| In Attendance: | |
| Simon Cosson (SC) | |
| Liam Nevin (LN) | |

Apologies & Declarations of Interest

Apologies were received from Steve Hollis.

There were no other declarations at this point in addition to those recorded on the register of interests.

Item 1 – Minutes of the Finance Committee held on 7 March 2018

The open and confidential minutes were approved as a true and accurate record

Matters Arising and Action Log

The action log was noted.

With the approval of the Chair items of business were taken in a different order to that set out on the agenda. It was noted that there would be a further meeting of committee members later in the afternoon to allow for a more detailed analysis of the Financial Plan.

Item 2 – Management Accounts

This item is recorded in a confidential minute.

Item 3 – Loan Refinancing Update

This item is recorded in a confidential minute

Item 4 (i) – Draft Business Plan 2018-19

The Principal introduced the draft plan and explained that whilst the layout had been simplified, and the actions were new, taken as a whole the plan represented continuity of the College's strategy.

HA commended the team on the presentation of the plan which in the "mock up" tabled at the meeting was easy to navigate and clear.

VD stated that the fiscal and economic context was focused mainly on supply side factors and would benefit from inclusion of demand side issues such as skill shortages and job vacancy data, and the extent of in- migration of commuters travelling into the city from other regions.

HA advised that the final report of the Productivity and Skills Commission sets out the details of skills shortages in advanced manufacturing and construction and this information would be useful to draw on in the plan.

HA stated that in relation to “being a great place to work” she was surprised that there was not a stronger focus on staff morale, and VD stated that an emphasis on supporting staff to excel as part of this objective would be welcomed.

The Principal advised that feedback from staff was to keep the measures associated with this objective simple and that staff wanted to see a focus on diversity and inclusion, engagement and performance.

VD noted that the target for apprenticeship timely achievements at 61% appeared low and queried what the national rate was. It was agreed that this would be checked.

HA stated that the FE Commissioner had invited self-reflection by the Finance Committee of its own improvement goals and the Principal stated the latest Commissioner report had raised two issues; firstly the need to bolster expertise on the Committee, and this had been addressed by the appointment of a new co-opted member to the Committee, and secondly, through more robust control and forecasting arrangements. The latter was before the Committee and the Committee workplan for 2018-19 built in review points to mirror the key dates set out in the Financial Sustainability section of the plan.

Thereafter the Committee debated the proposed rail offer set out in the plan and sought reassurance that this was not being developed in competition with the National College for Rail. The Principal advised that the provision was complementary – the National College was offering mainly level 4 and 5 courses and these were directed specifically at high speed rail, whereas the College had a broader rail offer.

The resolution to this agenda item is recorded in a confidential minute.

Item 4 (ii) Draft Financial Plan 2018-19

This item is recorded in a confidential minute

Item 5 – Property Disposals

This item is recorded in a confidential minute

Item 6 – Supply Chain Fees and Charges Policy

SC introduced this item and advised that there were very minor editorial changes proposed to the existing policy.

There being no discussion, accordingly it was

RESOLVED

- **That the Committee recommends the Supply Chain Fees and Charges Policy to the Corporation.**

Item 7 – Partnership Update 2017/18 and Recommendations 2018/19

SC summarized the forecast data for 2017-18 in relation to financial allocations and quality of performance.

The Principal advised the Committee that the fact the College had under- allocated to sub-contractors against the maximum contract value was a positive result because the College had used the balance to finance internal delivery.

VD noted that there were 40 withdrawals from adult apprentices and that this was extremely high and it was confirmed that the sub-contractor concerned was no longer used by the College as a result of performance issues.

In respect of the recommendations for 2017-18 HA noted that the College was proposing to reduce the maximum contract value (mcv) to £1.3 million and questioned whether a higher figure might be more appropriate. The Principal advised that he was confident the mcv proposed was the right one, and working to that budget was part of the financial discipline that needed to be demonstrated.

Accordingly it was

RESOLVED

- **That the Committee note the financial and teaching and learning forecasts for 2017-18**
- **That the Committee recommend to the Corporation the maximum contract values and the subcontractors for 2017-18 as set out in the summary of the report**

Item 8 – Learner Income Comparison/College Benchmarking

HA reminded the Committee that it had asked for a comparative assessment of the College's financial performance against other similar Colleges. The report was useful in confirming that on most indicators the College was mid-range.

Accordingly it was

RESOLVED

- **That the report be noted**

Item 9 – Advanced Learner Loans – Revised Procedure

HE noted that the Committee had asked to see the procedure for enhanced controls around Advanced Learner Loans given the issues that had been identified with billing and collection.

VD stated that it was important that there was adequate guidance and support sitting alongside the new procedure and SC assured the Committee that this was the case although the purpose of the procedure was primarily to clarify responsibilities.

Accordingly it was

RESOLVED

- **That the report be noted**

Item 10 – Draft Workplan

LN summarized the proposed workplan for the next financial year and advised that an additional meeting was proposed in February 2019 for the Committee to track the implementation of actions following the November re-forecast. In addition, implementation of the Budget Control implementation plan had been added as a standing item. The proposals contained in the "financial sustainability" part of the plan would require a more detailed

implementation plan and it was expected that the Committee would want assurance around the management of that plan.

The Committee noted and approved the additional measures to track the Financial Plan Accordingly it was

RESOLVED

- That the Committee workplan for 2018- 19 be approved.

Any Other Business

None.

Date of next meeting: tbc

Signed.....

H South Allen
Chair

Date.....

25/9/18