



**Minutes of the Finance Committee
held on Friday 8 July 2016 at 8.00am
In the Boardroom
at Matthew Boulton Campus**

Present:	Apologies:
Jenni Ord (JO)	Steve Hollis (SH)
Veronica Docherty (VD)	
Dagen Thompson (DT)	
Andrew Cleaves (AC)	
Sheetal Sahdev (SS)	
In Attendance:	
Louise Jones (LJ)	
Liam Nevin (LN)	

Apologies & Declarations of Interest

Apologies were received from Steve Hollis.

AC reminded the committee that he had an interest in item 7 as a governor of Birmingham City University, but noted that the applicable item was for information only.

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 6 May 2016

The open and confidential minutes were approved as a true and accurate record of the meeting.

The committee noted that the minutes were predominantly confidential and LN agreed to review these on an ongoing basis and ensure that minutes were only contained in the confidential record where they would be exempt from publication under the Freedom of Information Act.

Matters Arising and Action Log

The action log was noted.

In light of LJ's new role it was agreed that Simon Cosson would attend future meetings of the Committee.

Item 2 (i) – Budget 2016/17

LJ presented this item and summarized the key points to note as set out in the supporting paper, which supplemented the detailed draft budget appended to the report. It was noted that there were challenging savings targets of approximately £2.9 million across pay and non-pay costs.

JO noted that the risk around income targets had been acknowledged and noted that the restructuring of executive portfolios had been designed to mitigate that risk.

JO asked for further clarification of the plans to reduce staffing costs and its likely impact. The Principal advised that the budget proposed a more efficient division between establishment staffing and Associate Lecturers, and a focus on ensuring that the staffing arrangements for English and Maths provision were effective.

It was noted that any disposal of assets could be subject to movement in value as a result of the decision to leave the European Union and it was agreed that further analysis of this risk be undertaken.

VD asked what plans had been made to address any gaps in curriculum provision and LJ advised that some flexibility had been allowed for and the use of this was subject to ongoing review with the curriculum teams.

Accordingly it was

RESOLVED

- **That the committee recommend the draft budget for 2016/17 to the Corporation**

Item 2 (ii) – Financial Plan 2017-19

LJ presented this item and summarized the key points to note as set out in the supporting paper, which supplemented the detailed financial plan appended to the report.

LJ drew attention to the checklist contained at Appendix 1 which set out the criterion that the Committee and thereafter the Corporation should consider by way of assurance. Thereafter she explained the sections of the report applicable to each criterion.

The Principal offered to ensure that the appendix was completed and circulated to the Committee prior to being submitted to the Corporation and this was agreed.

JO asked whether and to what extent the SFA would test the plan through their case conferences and the Principal recommended that the College take the initiative of putting the item on to the agenda for the next meeting.

JO noted that the accuracy of forecasting against the budget for 15/16 had been good and asked that thanks be passed onto the Finance team.

Accordingly it was

RESOLVED

- **That the committee recommend to the Corporation the approval of the financial plan, including the forecast for the year ending 31 July 2016.**

Item 3 – Operating Plan (Recovery Plan 2)

HA introduced the report and advised that the Operating Plan was the next iteration of the Recovery Plan. It would function as the delivery plan for the Annual Business Plan that was being considered by the Corporation at its next meeting.

The Committee were advised that Appendix 2 contained the actions and risk rating for the delivery of each strategic goal. These were presented as examples for the Committee although the document would be fully populated for the Corporation meeting.

The Operating Plan was constructed to focus on outputs against success measures and not simply on actions, and this higher level analysis would help inform early intervention if the necessary improvements were not being observed.

Jo commended the proposals and stated that the plan provided continuity and brought together risks and actions in a format that was easy follow. She suggested and it was agreed that the strategic goals, objectives and actions were presented alongside a key to understand the colour code.

Jo further asked how the personal objectives of staff would relate to the plan and LJ advised that the Plan had already been translated into team objectives and personal objectives were being developed from this. The objectives had also been shared with the leadership conference where feedback had been encouraged, and the same process had been followed with departmental managers. A plan on a page summary would shortly be uploaded to Sharepoint as a reference point for all staff.

JO asked DT as the staff governor whether he felt that the plan was being accepted and adopted by staff and DT confirmed that there was a coherence to the planning process that was now much better understood by staff generally.

VD stated that she welcomed the integrated report but felt that a simplified version for general use would be helpful. LJ advised that a plan on a page summary would be incorporated into the business plan.

JO stated that the plan on a page should also be shared with students so that they had a good understanding of the College's objectives.

Accordingly it was

RESOLVED

- **That the Committee notes the progress made against the Annual Operating Plan.**

Item 4 – Supply Chain Fee Policy

LJ presented this item and advised that the SFA required the Corporation to approve a policy for sub-contracted provision to include quality assurance measures, management fee charges, and support offered to the supply chain. The policy proposed was in a standard format and had previously been audited in this format.

JO questioned how the management fees were set and LJ advised that these were a matter of negotiation, reflecting the College's assessment of risk and the level of support likely to be required from the College. This year the sub-contracts had been tendered and the management fees had been tested as part of that process.

VD asked how the College's fees compared with others and the Principal advised that there were wide variations in charges but that the College was around the median.

Accordingly it was

RESOLVED

- **That the Committee recommends the Supply Chain Fee Policy to the Corporation.**

Item 5 – Management Accounts

This item is recorded in a confidential minute.

Item 6 – Sub-Contractor MCV Recommendations 2016/17

LJ introduced the paper and explained the criterion that had been used in the tender evaluation as was summarized in appendix B of the report. The total maximum contract value was proposed at £2.5 million, with a view to issuing contracts of £2.3 million. This represented a further reduction from the value of sub-contracting in 2015/16.

Accordingly it was

RESOLVED

- **That the Committee recommend to the Corporation approval of the maximum contract values and subcontractors as set out in Appendix A of the accompanying report.**

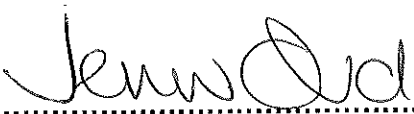
Item 7 – Property Disposals

This item is recorded in a confidential minute

Any Other Business

There was no other business

Date of next meeting: TBC

Signed.....

Chair

Date..... 9.12.2016