

BARNSELY COLLEGE BOARD OF GOVERNORS

MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 3 FEBRUARY 2015

PART I

PRESENT	G Beever	Governor
	A Eckford (Chair)	Governor
	J Thirkell	Governor
	C Booth	Governor

IN ATTENDANCE	A J Oaks (Clerk)
	D Harding (VP Quality & Adults)
	T Johnson (VP Corporate Services)
	L Miah (Director of Finance)
	C Webb (Deputy Principal)
	P Singh (VP Comms and Recruitment)
	A Fairest (VP Property)
	P Briscoe (AP Access to Learning)
V Dalton (VP Funding, Data & Compliance)	

APOLOGIES

15.01 Apologies were received from G McSkimming, S Brian and N Bowen.

DECLARATIONS OF INTEREST

15.02 The Chair reminded members of the requirement to declare any financial or personal interests in any agenda items. J Thirkell declared an interest in the item relating to overseas expenditure. Members reserved the right to declare interests should any arise during the course of the meeting.

MINUTES

15.03 The Minutes of the meeting held on 3 December 2014 (Part I) were agreed as a true and accurate record and were signed by the Chair.

MATTERS ARISING

15.04 The Committee received a list of matters arising from previous meetings and were satisfied with the proposed actions.

ITRUST REPORT AND ACCOUNTS

15.05 The Committee received the Financial Statements and report for iTrust CIC year ending 2013/14. A surplus of £2,403 was reported which would be retained within the company. The Director of Finance advised that due to its size the company was not required to have its accounts audited. However it was required to submit a CIC report and would be subject to corporation tax. The Financial statements were due to be received and considered by the iTrust Board on 9 February 2015. The Principal was pleased to report that the company was performing very well.

15.06 Governors commented on the Directorship, and proposed the College consider appointing another Director to replace Angela Foulkes who had left in October 2013.

SALIX LOAN

- 15.07 The Committee received a report requesting Board approval of a government interest free loan via the Salix fund to finance replacement lighting in the Sci Tech building to reduce energy costs. The Director of Finance reported that the college had submitted an application and was confident of meeting the criteria. Replacing the existing light fittings would save the college around £16k pa.
- 15.08 If the college was to proceed, it would enter into an arrangement with Salix to repay the loan over four years, funded from the 2014/15 annual capital budget. Further to questions from governors regarding the implications of further borrowing the Director of Finance assured governors that the impact on the banking covenants was negligible. Further questions were raised regarding the lighting in other college buildings and the VP Property stated that should further rounds of funding become available the college would apply to replace lighting in OML. The College's newer buildings already had LEDs fitted. The VP Property confirmed the new construction centre and the new sixth form college would have LED lighting.

RESOLVED 15.08 **subject to a successful application, to recommend the college enter into a loan with Salix for £80,000 and that the Principal be authorised to sign the loan documentation.**

UPDATED THREE YEAR FINANCIAL PLAN

- 15.09 The Committee had requested an update to the three year financial plan at its meeting in October 2014. The Director of Finance summarised the changes to the 3 year plan following the results of period 3 performance reviews. The forecast financial position for 14/15 had improved with an operating surplus forecast at £1.3m, £0.8m better than budget. EBITDA was forecast at 11.9% of income. The revised plan also covered costs for matters discussed with the Board in December in the closed session.
- 15.10 The key changes to the financials in the plan included a reduction in EFA income as a result of lower recruitment, removal of Skills 4 Jobs after the end of the contract July 2015 and a reduction in capital costs relating to the construction of the Sixth Form college and costs related to OML heating and ventilation issue. Considerable discussion took place with regard to the revised Plan and governors were pleased that costs of the SFC would be lower than planned, achieving savings in the contingency budget.
- 15.11 All financial objectives had improved since the last Plan was presented. Banking covenants continued to be met within the plan, and it was noted that there was a positive impact on the covenants due to the reduced debt. The Chair believed the 3 year plan showed a balanced position for the next three years, subject to the college delivering high risk income lines in commercial, HE and international, and realising capital asset release. In terms of managing the expenditure, he commented that it would become more challenging to meet the targets and that he recognised further work would be required in business planning over the next two years to meet the 10% EBITDA target. With the overall picture looking positive, the Chair emphasised the need for the College to continue with its strong disciplines in finance and to ensure the capital asset release. To conclude, the Chair requested a further review of the 3 Year Plan Plan be undertaken for consideration by the committee at the next meeting, requesting that two further scenarios be prepared: one to consider a worsening of the underlying assumptions including capital disposals, and the other to consider an improvement in the underlying assumptions. These scenarios will be presented at the next Committee meeting.

RESOLVED 15.11 **That the 3 year financial plan be reviewed and presented for consideration to the Committee at its next meeting as requested.**

LEARNER NUMBERS AND FUNDING

- 15.12 The Committee received a report on learner numbers identifying an under achievement of 278 on its EFA headcount allocation for 2014/15. In line with the lagged funding model, the allocation for 15/16 was 4430 against the 4700 figure in the 3 year plan. Apprenticeships and HE showed more positive results. As reported at the last meeting, the under recruitment would result in a reduction in income of c£650k. The VP commented that it was possible the SFA may seek to claim back some or all of the shortfall in the adult budget projected to be £46k.

PROJECTS AND SKILLS FOR JOBS

- 15.13 The Committee received a report showing the position on Skills for Jobs, the contract for which was due to end in July.. It was reported that the Skills for Jobs contract would end on 31 July 2015. Further to questions from Governors regarding the financial implications following the Skills 4 Jobs coming to an end, the college would be prioritising replacing the contracts that end in 2015. The VP CS commented that this would affect approximately 15 staff which due to the length of service would result in redundancy costs that were not significant. In respect of project income and ATA, it was reported that a new Head of Department had been appointed and the priority for 14/15 was to achieve the income target and remain within budget. An increase of £200k was forecast for project income.

HR REPORT

- 15.14 The report from the VP CS provided an updated on the position with regard to the College's discussions with UCU over the new Contract of Employment. A total of six days of industrial action had now been taken since the start of the academic year and further consultation meetings had taken place, the most recent being held on 23 January 2015. Governors had been provided with copies of the communication between UCU and the College for information.
- 15.15 The VP advised that the Job evaluation would take place in February with ATL and AMiE observing the process. S Brian had agreed to observe part of the process. UCU and UNISON had rejected the offer to be involved.
- 15.16 The Committee received a report on an Employment Tribunal application following an early mediation process via ACAS where no resolution had been reached. Governors would be kept informed of progress. In terms of Health and Safety, five fewer accidents were reported this year compared to last, with 5 RIDDOR in the year to date. Further details were provided for governors of a claim made against the College by a former mature student which had the potential to impact on the reassessment of the College insurance premium which was due in June 2015.

ADDITIONAL REPORTS AGAINST BUDGET LINES

- 15.17 The remaining reports were presented to the Committee for information and included comprehensive details of financial performance in terms of income and expenditure. Governors were invited to raise any questions with regard to the papers. J Thirkell referred to the report on 14-16 income and expenditure, observing the list of schools where the College was currently delivering provision. In respect of Tuition Fees, FE loans and commercial income, the Chair acknowledged that the forecast for the year had been discussed in depth under the 3 year plan.

DATE AND TIME OF NEXT MEETING

- 15.18 The next meeting would be held on Tuesday 28 April 2015 at 4.00 pm.

There being no further business, the Chair reminded members that this was his last meeting as Chair, and thanked everyone for their contribution and support.

The meeting was closed.

Signed _____ Chair

Date _____