

FAREHAM COLLEGE

FINANCE AND RESOURCES COMMITTEE

8th June 2015

MINUTES

Present: Mr N Duncan
Mr P Fielon
Ms K Janagal
Mr R Kew
Mr M Mansergh
Ms K Woods

In attendance: Mrs J Eayrs (Clerk)
Mr P Marsh (Deputy Principal)
Mrs J Robinson (Head of Finance)

15/15 Annual Election of Chairman

Members of the Committee elected Mr Russell Kew as Chair to serve until the first meeting after the 1st April 2016 in accordance with the Corporation's Standing Orders.

16/15 Annual Election of Vice-Chair

This item was deferred until the autumn term meeting of the Committee.

17/15 Declarations of Interest

Members of the Committee were reminded of the need to declare any personal or financial interest in any item of business to be considered during the meeting. No interests were declared.

18/15 Apologies for Absence

Apologies for absence were received and accepted from Mr Grimwood and Mrs Hinton.

19/15 Minutes of the Meeting held on the 9th March 2015

The minutes of the meeting held on the 9th March 2015 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising from them which were not covered elsewhere on the agenda.

20/15 Confidential Minutes of the meeting held on the 9th March 2015

The confidential minutes of the meeting held on the 9th March 2015 were agreed as a true and accurate record and were signed by the Chair. There were no matters arising which were not covered elsewhere on the agenda.

22/15 Termly Report on Risk Management – June 2015

Members of the Committee received a paper on Risk Management which provided an update of the College's current risk exposure, provided assurance to Governors that the risks had been evaluated and outlined the mitigation which had been put in place to reduce them.

The Principal spoke to the paper and advised members that an SMT workshop had taken place and, as a result, the College Risk Register had been thoroughly reviewed and updated.

Members' attention was drawn to the top 7 'high' risks on the register as follows:

- Poor student attendance;
- Poor achievement in English and Maths – There was a brief discussion about the delivery of English and Maths, the need to improve the timetabling of these subjects and the need for BRC classes to replicate the approach taken at CEMAST. There was also a discussion about the repeated failure of exams and the Principal explained that the jump from Level 1 to Level 2 was big and resulted in students struggling to pass Level 2. He added that, although the College tried to assist this transition by progressing students through the level in stages, the College could be criticised by OFSTED for not facilitating enough stretch and challenge;
- Poor OFSTED visit leading to poor publicity resulting in a reduction in student numbers;
- Serious IT failure;
- Delay in completion of building works;
- Poor retention in some areas;
- Lack of understanding of student number targets leads to complacency regarding application numbers.

Members discussed the top 'high' risks and the action/strategies in place to mitigate them.

In addition, members reviewed the Health and Safety risks attached to the Risk Register. The Principal drew the following to members' attention:

- The HSE had completed a return visit to CEMAST to inspect the machines in the workshop and had signed them off as best practice;
- The Principal outlined a series of events which had occurred on Saturday 14th March 2015 which had involved the emergency services receiving a call from a member of the public to report potentially hazardous waste which had been disposed of in a general waste skip. The Principal assured members that the items identified had not constituted a hazard to health and a detailed report of the incident would be fully reported to the full Corporation at its meeting on 24th June 2015.

Members of the Committee reviewed and noted the contents of the paper and the mitigation in place to reduce the risks identified.

23/15 Management Accounts at 30th April 2015

Members of the Committee received a confidential paper on the Management Accounts at 30th April 2015. The paper provided an update on the performance year-to-date at April 2015.

The Head of Finance spoke to the paper and drew the following key points to the Committee's attention:

- The April Management Accounts (period 9) indicated that the College was on target to deliver a surplus in-year.
- An operating surplus of £300k was currently being forecast due to the lagged funding methodology, extra allocation from the EFA due to the reallocation of places from Fareport Training and additional in-year apprenticeship funding;
- Staff Ratio YTD – 53.96% (compared to budget of 57.73%);
- Actual Cash - £2.6m per cash flow statement (plus £1m lent to project) which totaled £3.6m;
- Balance sheet - £2.6m (106 cash days);
- Members noted that all key performance indicators were on target and the College remained compliant with its lending covenants;
- Members reviewed and discussed the Trading Accounts outlined in Appendix 4 to the paper. The Head of Finance confirmed that business models were currently being developed for the 2015/2016 year. Members noted that catering was up by 11% compared to last year with Hair and Beauty within Salan 141 being a disappointing 33% behind the same time last year. Members were reminded that the Gosport hair salon had struggled with low student recruitment and there was a general discussion about its viability going forward.

Members of the Committee reviewed and noted the contents of the report and noted the current position.

24/15 The Financial Plan 2015/2016 and 2016/2017

Members of the Finance Committee received a confidential paper on The Financial Plan 2015/2016 and 2016/2017. Due to the confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate confidential minute for Governors only.

25/15 Health and Safety Summer Term Report 2015

Members of the Committee received the Health and Safety Summer Term Report 2015 which provided a termly update for Governors since the last report in March 2015 and which covered the following topics which had been discussed at the H&S Operational Group meeting on 6th May 2015:

- The response and follow-up action taken following the hazardous waste incident in March 2015 previously discussed earlier in the meeting. Members noted that, whilst there had been no danger presented to the public, the College had learned important lessons regarding the handling of sensitive material;
- An update to the outcomes of a visit and subsequent report issued by the HSE and the actions taken to address the concerns raised;
- Work on the BRC project and likely timing of moves;
- Accidents and near misses and the improvements to the recording of minor and more significant accidents;
- First Aider provision and the need to train additional apprentices at the Gosport Salon;
- The findings of routine H&S Inspections including a positive inspection of A building;
- H&S training;
- PAT testing.

Members of the Committee reviewed and noted the contents of the paper.

27/18 Tender for a New Finance System – Request to Side-Step the Financial Regulations

Members of the Committee received a paper requesting permission to side-step the Financial Regulations in connection with the Tender for a new Finance System. The Head of Finance spoke to the paper and explained the rationale behind the request to issue the tender document to only three suppliers rather than the recommended five as outlined in the paper.

Members of the Committee reviewed the contents of the paper and formally approved the request to side-step the Financial Regulations and issue the tender document to only three suppliers rather than the recommended five.

28/15 Annual Review and Evaluation

Members of the Committee undertook an annual review of the Committee Terms of Reference and Annual Cycle of Business. Members agreed a minor cosmetic change to the membership list on the Terms of Reference and the removal of the Three Year Financial Forecasts from the Annual Cycle of Business.

Members agreed that they had complied with the Terms of Reference during the 2014/2015 year and agreed to recommend the updated documents to the full Corporation for formal approval at its meeting on the 24th June 2015.

Governors reviewed the Terms of Reference and Annual Cycle of Business for the Finance and Resources Committee and agreed the minor changes as outlined above for formal approval by the full Corporation at its meeting on the 24th June 2015.

29/15 Annual Review of Performance of F&R Committee of the Corporation

Members of the Committee received a paper on Annual Review of Performance for Committees of the Corporation. Members were reminded that formal annual targets for committees of the Corporation had been established in 2006 to ensure the Committee added value to the work of the Board.

Members reviewed the performance indicators and evidence sources outlined in the paper and considered the performance of the F&R Committee during the 2014/2015 year.

Governors reviewed the performance indicators and considered the work undertaken by the Committee during the 2014/2015 year. Members reviewed the evidence sources and concluded that the work of the F&R Committee had added value to the work of the full Corporation.

30/15 Dates of meetings in the 2015/2016 Academic Year

Members considered and agreed the proposed dates of meetings for the 2015/2016 academic year with all meetings to start at 5.30 pm:

- 16th November 2015 (Monday due to Principal's attendance at AoC National Conference);
- 9th March 2016;
- 8th June 2016.