

FAREHAM COLLEGE

FINANCE AND RESOURCES COMMITTEE

16th November 2015

MINUTES

Present: Mr N Duncan
Mr P Fielon
Mr P Grimwood
Mr R Kew (Chair)
Mr M Mansergh
Ms K Woods

In attendance: Mrs J Eayrs (Clerk)
Mrs J Robinson (Director of Finance)

31/15 Declaration of Interests

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

32/15 Apologies for absence

Apologies for absence were received and accepted from Mrs Janagal and Mrs Hinton.

33/15 Minutes of the meeting held on the 8th June 2015

The minutes of the meeting held on the 8th June 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.

34/15 Confidential Minutes of the meeting held on the 8th June 2015

The confidential minutes of the meeting held on the 8th June 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.

35/15 Correspondence

There was no correspondence.

36/17 Risk Management

Members of the Committee received a Risk Management report which outlined the top most current and assessed risks facing the College which were the responsibility of the Committee to monitor and review.

The Principal spoke to the paper and drew the following to members' attention:

- **CSR** - The unknown outcomes of the Comprehensive Spending Review could have a

significant impact. The Principal explained that the ASB was expected to be reduced further and, as a result, he and the Finance Director were modeling 25%-40% cuts in 2016/2017 as well as a 10% reduction in EFA funding over the next 3 years. Members acknowledged that the College would continue to maintain growth trajectory of apprenticeships to secure in-year growth funding;

- **Staff skills and specialisms** - Members acknowledged the difficulties being experienced in recruiting specialist staff which could lead to an inability to teach in key areas. There was a brief discussion about the scope for sharing high quality lecturers from other institutions and the potential for shared resources.

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

37/15 Bishopsfield Road Campus Development

At this point, the Chair invited Mr Marsh to provide a verbal update on the BRC development project as he had been delayed arriving at the PSG meeting which had taken place directly prior to the F&R Committee meeting. The details of his verbal update have been included in the Property Strategy Group minutes from the 16th November 2015 meeting.

Governors discussed the demolition, the risks involved (particularly in view of the fact that a greater volume of asbestos had been found in 'S' Building) and the potential benefits of offering an incentive to Wessex to compete the site clearance on time. Mr Marsh confirmed that work was due to complete in March with the site being handed over to Bloor in April 2016 and it was his intention to monitor the progress closely during the next month to ensure there were no delays which could lead to liquid damages being claimed against the College.

Members thanked Mr Marsh for his verbal report and noted the current position.

38/15 The Draft 2014/2015 Financial Statements

Members of the Finance and Resources Committee received a Draft set of 2014/2015 Financial Statements. Mrs Robinson, Director of Finance, spoke to the paper and advised the Committee that, traditionally, members would be provided with a paper which outlined the movement and/or any changes which had occurred since the draft position had been reported to the full Board at its September meeting. On this occasion, members were advised that the Draft Statutory Accounts presented provided the post audit financial position, they were in near final form and it was not expected that there would be any amendments before final Corporation sign-off on the 9th December 2015 apart from presentational suggestions made by members as they considered them at the Finance and Resources and Audit Committees meetings.

Members noted that the 2014/2015 Audit had taken place with a new audit team from the Grant Thornton Reading office. The team had been on site in total for 10 days (12th to the 23rd October 2015). Mrs Robinson confirmed that the audit had gone well from a College perspective which had been evidenced by the lack of post audit adjustments.

Members' attention was drawn to the following:

- The year-end surplus was above budget and achieved an 8th consecutive year of financial surplus;
- The College's financial health status with the SFA, based on the original plan, had been calculated as 'Satisfactory'. However, members were advised that, with the final out-turn

position now finalised in the Accounts being above budget, the position would be re-assessed and the financial health status would return to 'Good'. It was also envisaged that the Bloor Homes transaction would also be complete by this stage;

- The total income finished higher than plan by just over £1million. The key factor being significant in-year Apprenticeship growth (64% growth over original plan).

The Chair sought clarification on the final student numbers against budget and the Principal confirmed that the final position was approximately 50 students short of target.

Having considered the draft financial statements presented, members of the Finance and Resources Committee agreed to recommend the Financial Statements for 2014/2015 for formal approval by the full Corporation at its meeting on 9th December 2015.

39/15 The Audit Findings Report and Letter of Representation – Grant Thornton

Members of the Committee received The Audit Findings Report and Letter of Representation from Grant Thornton, the External Audit Service provider. Members considered the report in the light of the previous agenda item under which they had reviewed in detail the draft Statutory Accounts 2014/2015. The Committee reviewed the report and acknowledged that there were no issues of concern.

Members reviewed the contents of the report and agreed to recommend it for formal approval by the full Corporation at its meeting on the 9th December 2015.

40/15 Self-Assessment of Compliance with Regularity and Propriety Requirements

Members of the Committee received the Self-Assessment of Compliance with Regularity and Propriety Requirements for consideration. The Director of Finance spoke to the paper and confirmed that there were no issues arising from the document.

Members reviewed the contents of the paper and agreed to recommend the Self-Assessment of Compliance with Regularity and Propriety Requirements to the full Corporation for formal approval at its meeting on the 9th December 2015.

41/15 Management Accounts at 31st October 2015

Members of the Committee received a confidential paper on the Management Accounts at 31st October 2015. The Director of Finance spoke to the paper and drew the following to members' attention:

- The September 2015 position had been provided in the pack of papers distributed and the October 2015 position was provided at the meeting;
- I&E operating surplus of £23k compared to budget of £80k;
- Staff to income ratio was reported at 59% (compared to budget of 58.4%) (66.8% including sub-contractor costs);
- All Bank Covenants were compliant;
- Staff costs were within budget;
- The position of the trading Accounts was reviewed and noted;
- External lettings would be further developed. There was a discussion about the publicity for the conference and sports facilities and the theatre.

Members of the Finance and Resources Committee reviewed the contents of the paper and noted the current position

42/15 Pay Review Arrangements for 2015/2016

Members of the Committee received a confidential paper on the Pay Review Arrangements for 2015/2016. 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.

43/15 Annual Health and Safety Report to the Corporation 2014/2015

Members of the Committee received a paper on the Annual Health and Safety Report 2014/2015 (including Accident Statistics provided at Appendix 1 to the paper). The Principal spoke to the paper and advised members that the report had also been presented to the Wellbeing Committee for review. Members reviewed the health and safety overview provided for 2014/2015 and noted the developments and improvements which had been secured during the year.

Members of the Committee reviewed and noted the contents of the Annual Health and Safety Report 2014/2015 and agreed to recommend it for formal approval by the full Corporation at its meeting on 9th December 2015.

Mrs Robinson left the meeting at this stage.

44/15 3 month Performance Review of the Deputy Principal

Members of the Committee received a strictly confidential paper on the 3 Month Performance Review of the Deputy Principal. Due to the strictly confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate strictly confidential minute for Governors who are not staff and student only.

45/15 Review of the Pay and Remuneration of Senior Postholders and the Clerk

Members of the Committee received a strictly confidential paper on the Review of the Pay and Remuneration of Senior Postholders and the Clerk. Due to the strictly confidential nature of the contents of the paper and the related discussions, this item is recorded as a separate strictly confidential minute for Governors who are not staff and student only.

46/15 Date of next meeting

It was noted that, in accordance with the Corporation Calendar approved in June 2015, the next meeting of the Finance and Resources Committee was scheduled for **Wednesday 9th March 2015 at 5.30 pm.**