

MINUTES

Finance & Resources Committee No 17

Date: *06/06/2017*
(Tuesday)

Time:

18:00–20:00

Venue: *Rural Business*
Centre

Committee:

Finance and Resources

Notes: *Refreshments will be available from 5.30pm.*

Present: *Ann Turner (Principal), Clare Platt (Vice Chairman), Ian Douglass (Chairman), Ian Higginbotham, Richard Furnival and Stuart Heys*

Attending: *John Wherry (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Apologies: *Paula Lister (Deputy Principal) and Sarah Burdaky*

Public Minutes

Item
number:
(and
category)

Item description:

31.17 ***Attendance of College Management Staff***
Decision

Section 8.2 of the current Constitution and Terms of Reference for the Finance & Resources Committee states:

College management and / or consultants may attend meetings by invitation in an advisory capacity.

Members thanked and welcomed Janet Whiteside, College Accountant to the meeting. Janet would attend meetings until a Deputy Principal Finance & Corporate Services was appointed.

Resolved:

That College Management staff attend the meeting.

32.17 ***Apologies for Absence***
Record

An apology for absence was received from Sarah Ellis.

33.17 ***Public Minutes of Previous Meeting***
Decision

The public minutes of meeting number 16 held on Tuesday 21 February 2017 (published on the extranet) were signed and agreed as a true and accurate record.

34.17 ***Declarations of Interest***
Record

There were no declarations of interest made in respect of items on the public agenda.

35.17 ***Strategic Plan Progress Report***
Decision

Finance & Resources Committee gave consideration to the summary Strategic Plan progress Report which charted progress against key performance indicators under the strategic plan headings.

Members noted that in the main targets were being met. As documented throughout the year, Higher Education recruitment had fallen short of target. This shortfall impacted on the lower than budgeted performance from Myerscough Ventures. There was a surplus before interest though it was less than target.

The key discussion points were picked up throughout the meeting.

Resolved:

That the Strategic Plan Progress Report be received.

36.17

Decision

Financial Position Statement for Period Ending 30 April 2017

Finance & Resources Committee gave consideration to the report on the Financial Position Statement for the period ending 30 April 2017. The report included the cash flow position, members noted that cash balances remained strong.

The surplus as a percentage of income (pre FRS17) was 2.3%, which equated to £495k (8.6% April 2016) and the balance sheet remained healthy. There was a current ratio of 1:1.3 and cash days of 65.76.

Overall income to date was behind target by £723k (3.3%) and behind last year by £348k (2%).

The Interim Director of Finance responded to questions and provided detailed information on the accounts.

At this point Education was £140k (1%) behind budget. HE recruitment was still the main reason for being behind target but was being partially offset by increased FE income, notably for high needs learners and Real Skills - a subcontractor.

Members noted the report on investments was incorporated and that interest rates remained low.

At the recent Away Event Members had given consideration to revenue and margin by area and would continue to monitor that the College offer met the strategic plan.

Members received clarification that the Apprenticeship & Skills income reported was the actual income received to date. Anticipated income would be on target as reflected in the Strategic Plan Progress Report considered earlier in the meeting.

Finance & Resources Committee noted a surplus position despite income being behind targeted levels. This had been managed through restructuring, scrutinising all vacancies and removal of the discretionary strategic investment fund. Members made comment on a 'compounding situation' as the shortfall of student recruitment in Higher Education would continue as the year 1 students moved up to the next year and the next.

Members were pleased to learn that it was anticipated that the year end position would be a surplus of circa £770k.

Resolved:

That the Financial Position Statement for the period ending 30 April 2017 be received.

37.17

Decision

Myerscough Ventures Report for Period Ending 30 April 2017

Consideration was given to the Myerscough Ventures Financial Performance Report for the period ended 30 April 2017.

At the end of the period, the income contribution from Myerscough Ventures was below profile providing a total contribution of £1,082,712. With inclusion of the Farm, which was not part of Ventures but was routinely reported at this part of the meeting as a commercial activity, the total was £899,511.

Contributions to overheads was shown after the allocation of the direct costs associated with the activity.

Myerscough Ventures continued to face the challenges of the current economic climate. Vacant bed spaces, as previously reported, had a detrimental financial impact on residency, catering and other Venture areas.

Equine Operations - The area was performing to budget.

Sports and Golf Academy - Performance was ahead of target.

Residential Operations - Members noted strategies to promote to incoming students and were pleased to hear of good take up via the initiative to offer single ensuite rooms to 16 to 18 students. It was confirmed bursary funds were advertised.

Catering Operations - The area was behind target due to a reduction in the number of residential students.

Horticulture - The area was performing ahead of target.

Stumble Inn - The area was behind target though weekend business was strong.

Events - The area was ahead of target and summer bookings were strong.

Myerscough Ventures continued to make a positive contribution to the College.

Resolved:

That the financial performance report on Myerscough Ventures for the period ended 30 April 2017 be received.

38.17 *Capital Expenditure Report to 30 April 2017*

Decision

Finance & Resources Committee gave consideration to the Capital Expenditure report to 30 April 2017.

Total expenditure against the annual budget of £7,067k for 2016 / 2017 amounted to £3,053k at 30 April 2017.

Members commented on the decision making process as capital was invested in the Estate and were aware of the need to develop to protect income and to generate income.

There had been a good response from industry to the Food Farming & Innovation Centre (FFIT) in terms of bringing in research income and generating interest with potential to widen the course offer and promote recruitment. The official opening was scheduled for 7 September 2017.

The Committee noted progress made on the capital projects and that expenditure was within the agreed tolerance. Significant expenditure would pass through the accounts as work on the projects continued to schedule.

Resolved:

That the report on Capital Expenditure for the period ended 30 April 2017 be received.

39.17 *Strategic Risk Register*

Decision

Members gave consideration to the risk registers relevant to Finance & Resources Committee.

Members were satisfied with the approach and the scoring and were assured of effective management in these areas.

Resolved:

That the Risk Registers relevant to the Finance & Resources Committee be received.

40.17 *College Funding 2017/2018*

Information

The report confirmed funding allocations and was a supporting document to be taken into account when Members considered the budget papers later in the meeting.

The contract allocation for 16 to 18 classroom based students provided funding for 1649 students and was valued at £11,902,545 which members were pleased to say showed growth from the previous year. The budget for apprenticeships for 2017 / 18 has been calculated at £2,351k.

Resolved:

That the College Funding Report 2017 / 18 be received.

41.17 ***Benchmarking of Cultiva Colleges Accounts for 2015 / 2016***
Information

Finance and Resources Committee was pleased to have the opportunity to consider the benchmarking accounts for the Cultiva Colleges for 2015 / 2016. Members were cautious in interpretation as comparisons were not like for like due to the differing operations and accounting of the member Colleges.

Resolved:

That the Benchmarking of Cultiva Colleges Accounts for 2015 / 2016 be noted.

42.17 ***Human Resources Statistics for the Period Ended 30 April 2017***
Decision

Finance & Resources Committee gave consideration to the report on Human Resources as at 30 April 2017.

Overall staff turnover was below national average. There were still some areas where College was having difficulty in recruiting staff.

Overall staff sickness statistics were ahead of target. In comparison to the same period in the previous year, the overall sick pay had reduced by £18,393.47

The stability index was within general benchmark comparators.

In response to questions members discussed staff comments on pay, workload and stress though, only 7 out of 70 leavers cited pay as a reason for leaving.

'Role did not meet expectations', 'relocation' and 'level of pay' are the top three reasons for teaching staff leaving Myerscough. The top reasons for support staff leaving was 'retirement' and 'relocation'.

Members engaged in discussion around the framework of pay, its bands and progression opportunities noting that though some movement of staff was healthy to the organisation, experienced staff were a valuable asset.

Resolved:

That the Human Resources Report be received.

43.17 Health and Safety Report for the Period Ended 30 April 2017

Decision

Finance & Resources Committee gave consideration to the report on Health and Safety as at 30 April 2017.

There was a slight increase in reported accidents compared to the same period a year ago. There did appear to be a trend of more vigilant reporting in the areas that had received an audit. This indicated thorough and serious attention to health & safety. Area audits continued to be rolled out with staff finding the process supportive. Reports on the audits from the Myerscough Ventures teams, Residential Operations and Ventures Sports turf were included with the papers.

There had been one RIDDOR reportable accident, which did not require further investigation.

A considerable amount of health & safety training was available for staff on site.

Resolved:

That the Health & Safety Report be received.

44.17 Appointment of Directors and Trustees

Decision

Changes in Corporation membership brought about a need to appoint new Directors and Trustees to the College's two dormant companies and its charitable prize fund.

In line with previous appointments, the Chair of Corporation and Chair of Finance & Resources Committee had been approached with a view to taking the non-remunerated positions.

Following due consideration and acceptance by the nominees, appointments were agreed and arrangements made for the signing of the relevant documents.

Resolved:

- 1. That Stuart Heys and Ian Douglass be appointed as trustees for the charitable prize fund.**
- 2. That Stuart Heys and Ian Douglass be appointed as Directors of the dormant companies Myerscough Ltd and Myerscoll Ltd**

45.17 Next Meeting

Record

The next meeting of the Finance and Resources Committee was scheduled for Tuesday 5 September 2017 at 6.00pm.