

# SHREWSBURY COLLEGES GROUP

## MINUTES

<b>Group :</b>	<b>FINANCE AND BUSINESS OPERATIONS</b>	<b>Date:</b>	10/10/2017
<b>Location:</b>	<b>CONFERENCE ROOM H.4, WELSH BRIDGE CAMPUS, SHREWSBURY SIXTH FORM.</b>	<b>Time:</b>	5.45 p.m.
<b>Membership:</b>	Gordon Channon, Richard Heath, David Pulford, Rob Rosson, James Staniforth (Principal/Chief Executive) and Paula Tucker.		
<b>IN ATTENDANCE:</b>	Members of the Senior Leadership Team: Paul Partridge, Director of Finance Clerk to the Board, Tracy Cottee		
<b>APOLOGIES:</b>	None.		

Prior to the meeting, the Committee Chair welcomed –

- the newly-appointed Director of Finance, Paul Partridge, to the College and his first F&BO Committee meeting;
- the newly-appointed Support Staff Governor, Paula Tucker, to her first committee meeting; and
- all committee members to the first meeting of the year.

### 26/17. Election of Chair

Resolved: That Gordon Channon be appointed Chair of the Committee.

Gordon Channon in the Chair.

### 27/17. Declarations of Interest

None.

### 28/17. Minutes

Resolved:

That the Minutes of the meeting held on 13 June 2017, be approved.

### 29/17. Matters Arising:

None.

### 30/17. Work Plan 2017/18 (Appendix No. 5)

The Committee reviewed the Draft Workplan for 2017 – 2018 (previously circulated).

The workplan was based on reporting established by the Committee during 2016 – 2017. The Committee made several amendments and suggestions, including –

- Move early indication of Budget for 2018 – 2019, to Summer Term, as it was unlikely to be produced before March 2018;
- Amend Forecast Cash Outturn to 2018 – 2019 , not 2017 – 2018;
- Whilst governors had previously requested that the Fees Policy be brought to Committee in the Spring Term, the timings of meetings would actually see this report brought to the early Committee meeting in the Summer Term.

Resolved: That the Draft Workplan be noted, subject to amendments.

### 31/17. **Education and Skills Funding Agency (ESFA) Key Financial Performance Indicators** (Appendix 6)

The Committee considered and noted a letter (previously circulated), from the ESFA, setting out the College's performance against Key Financial Performance Indicators.

The Principal/CEO explained that this report was published by the ESFA and sent to all colleges. The report was a mix of historical actuals and predictions and projections based on the College's submissions to the ESFA. To further complicate the picture, in the College's case, historical data in the document was based on Shrewsbury Sixth Form College data and from 2016 -2017, information based on the merged college. The Principal/CEO observed that, whilst the College was legally designated as a sixth form and 'benchmarked' as such for the purposes of this report, it would be more useful to benchmark against tertiary colleges, to reflect the reality of the College's range of provision. The Committee supported the Principal/CEO in exploring the issue of benchmarking with tertiary colleges further.

The Chair commented that the Board had accepted the College's Financial Health going forward as 'Good'.

Resolved: That the letter be accepted and noted.

### 32/17. **Management Accounts – Year to Date 2016/17** (Appendix 7)

The Director of Finance submitted a report (previously circulated) with the updated year to date Shrewsbury Colleges Group management accounts up to 31 July 2017.

The Director of Finance referred to performance against Key Performance Indicators (KPIs) as follows -

- Cash was slightly down against budget, due principally to the College not having achieved the budgeted surplus for the year.
- The operating surplus was very close to target.
- Borrowing remains low
- Staff costs, once sub-contracting provision and grant income was taken out were slightly higher than target.
- There were no issues with the bank covenants.

In terms in oncome and expenditure, he had added an EBITDA line to the accounts; as this was both indicative of how much the College had available to re-invest going forward and it is one of the three key measures which contributed to the college's Financial Health Score. He had also made amendments to the reporting of pay costs. The Committee AGREED that it was sensible to focus on EBITDA in reports to Board, supplemented by additional information at year-end. The Principal/CEO commented that the College should make sure all stakeholders understood the basis on which EBITDA was calculated.

The Director of Finance wished to give the Committee an appreciation of the underlying strategic financial issues in the Accounts and, therefore, would look at revising their presentation to the Committee going forward.

The Director of Finance undertook to bring an alternative presentation model in draft to the November 2017 meeting, for the Committee's consideration, review and agreement.

The Chair raised the issue of investment profile going forward. It was agreed that the Committee wished to ensure that there was sufficient investment to support the aim of outstanding teaching and learning. The Principal explained that the current position in relation to capital expenditure was dependent on the contribution from the LEP IT grant under Growth Deal 3. Once this had been secured and the IT capital investment finalised there would be a review of additional capital and revenue investment requirements this year and that if these were substantial then the committee would be made aware of the options for investment.

Resolved: That -

1. the year to date Management Accounts for the Shrewsbury Colleges Group up to 31 July 2017, approved and recommended to Board; and
  2. the Director of Finance present to the next Committee meeting a draft layout for the Management Accounts going forward, taking into account the revisions discussed, for review and comment
- ACTION: REPORT TO BOARD**

### 33/17. Risk

That were no new risks identified for the risk register.

### 34/17. Urgent Business

In accordance with Standing Order 3.3, the Chair agreed that the Principal/CEO could bring the following matters to the attention of the Committee, not being on the agenda -

#### **Letter to Prime Minister**

The Principal/CEO explained the challenge facing the College with respect to cuts in funding rates for 16 – 18 year-old; the issue was becoming critical. He reported that a letter had been sent to the Prime Minister, signed by himself and the Chair of the Board, making a point that there was continuing under-investment in 16 – 18 education and urging support for an increase of £200 per student to the national funding rate in the forthcoming Budget. This letter was part of a joint campaign with the AoC, AoSFC, NUS and others. He was also meeting with all the Shropshire and Telford and Wrekin MPs on Friday, 12 October 2017, about these issues. He wished to press the following 3 key implications of under- investment in 16 – 18 education -

- The struggle to fulfil the Government's aspirations around social mobility;
- Difficulty in supporting increasing numbers of students with mental health issues; and
- With respect to Curriculum, the risk of limits in the College's ability to offer varied provision.

35/17 **Date of Next Meeting** – Tuesday, 21 November 2017 at 5.45 p.m. Venue to be agreed.

The meeting concluded at 20:16