

SHREWSBURY COLLEGES GROUP

MINUTES

Group :	FINANCE AND BUSINESS OPERATIONS	Date:	14/03/2018
Location:	PRINCIPAL/CEO'S OFFICE, WELSH BRIDGE CAMPUS, SHREWSBURY SIXTH FORM.	Time:	5.30 p.m.
Membership:	Gordon Channon, Richard Heath, David Pulford, Rob Rosson, James Staniforth (Principal/CEO), Michael Thompson and Paula Tucker.		
IN ATTENDANCE:	Member of the Senior Leadership Team: Paul Partridge, Finance Director Clerk to the Board, Tracy Cottee		
APOLOGIES:	David Pulford		

01/18. **Declarations of Interest**

R. Heath declared a standing interest as an employee of Harper Adams University.

02/18. **Minutes**

Resolved:

That the Minutes of the meeting held on 22 November 2017, be approved as a true and correct record, subject to a typing error on page 3, paragraph 2.

03/18. **College's Financial Position and Mid-Year Financial Budget including Management Accounts – Year to Date 2016/17** (Appendix 5)

The Committee considered a report (previously circulated) with respect to the draft year-end financial statements, featuring -

1. The Half Year Financial Report from 1 August 2017 to 31 January 2018, including a Forecast Full Year outturn which highlighted the key results, measures and risks for the six-month period to January 2018 and a table of the key assumptions and risks in the full year forecast;
2. Management Accounts for the six months to 31 January 2018, which highlighted the key results, measures and risks; and
3. a revised Income and Expenditure and Balance sheet designed to highlight key ratios and measures. The report also identified these key measures and explained how they were derived.

The Finance Director explained that the main risks to successful delivery of the budgeted financial outcome remained as:

- Trade union studies work falls significantly below planned levels;
- AEB subcontracted income not delivered by subcontractor partners;

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- New Apprenticeship funding: The absence of a 2018/19 Non Levy Contract will present a significant financial challenge and reputational risk to the College for 2018/19, but is not currently expected to significantly impact 2017/18 financial results; and
- The 2017/18 ESFA Apprenticeship funding allocation is not increased

The Finance Director advised the Committee of mitigating plans by the College to monitor and manage these risks.

The Forecast Full Year outturn had been substantially updated at the half year point. This included an improved forecast position of the EBITDA measure, however the forecast operating surplus was only slightly ahead of budget due to higher than budgeted depreciation costs and lower releases of deferred capital grants.

The Committee commended the clear presentation of the Half Year Financial Report and particularly the Forecast Full Year Outturn, which highlighted the key movements across budget headings, linked to a more detailed report on the assumptions made and the risks identified.

At the request of the Chair, the Committee received an update from the Finance Director and Principal/CEO on a number of options currently being explored by the College so it could continue to offer Non-Levy funded Apprenticeships. In response to a question from a governor, the Principal/CEO explained how the College was handling external communications on the issue. He explained that employers and assessors had been advised that the College would be providing apprenticeship training for employers in some form going forward.

The Committee acknowledged the great deal of work being undertaken by College Senior Leadership Team (SLT) in exploring the various options. The Chair requested that an update be provided to the Board at its next meeting.

Resolved:

- That, having considered the report, the Committee recommended to Board the
1. The Half Year Financial Report from 1 August 2017 to 31 January 2018, including the Forecast Full Year outturn which highlighted the key results, measures and risks for the six-month period to January 2018 and a table of the key assumptions and risks in the full year forecast;
 2. Management Accounts for the six months to 31 January 2018, highlighting key results, measures and risks; and
 3. The revised Income and Expenditure and Balance sheet highlighting key ratios and measures.

ACTION: REPORT TO BOARD

04/18. **Capital Expenditure Report** (Appendix 6)

The Committee considered a report (previously circulated) providing an update on Capital expenditure incurred in 2017/18, to date and expected capital expenditure projects for the remainder of the year. The most significant proposed expected capital expenditure included increased investment in the Higher Education (HE) Centre being developed at the London Road (LR) Campus required to ensure that works were completed in time for the start of the 2018/19 Academic year.

The Committee agreed that these investments would help to deliver an improved HE curriculum and HE student experience. The Committee requested that an update be provided to the Board at its next meeting, including the display of plans showing the extent of the refurbishment.

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The Finance Director also provided an update on other key projects for the remainder of 2017-18 across the three campuses. The Committee acknowledged that, in order to deliver all of the anticipated and required Capital Expenditure, an increase to the current capital expenditure budget from £1,109,000 to £1,277,000 was required. The Committee assessed this increase against the College's cash flow and Bank Loan Covenant and was satisfied that cash flow impact was limited and manageable and that the proposed increase in Capital expenditure would not place the Bank Covenant at risk.

Having received assurance against these two issues and having agreed that the works would protect the College's estate and improve student experience, the Committee

Resolved:

That the Board be recommended to approve the proposed increase to the 2017/18 Capital Budget.

ACTION: REPORT TO BOARD

05/18. **Health and Safety** (Appendices 7a & 7b)

Health & Safety Policy

The Committee reviewed the Health and Safety Policy (previously circulated). The Committee was advised that - .

- A draft of the Policy had been reviewed by the H&S Lead Governor;
- The Policy had been amended to reflect operational staffing and organisation changes;
- Full Board would consider the Health & Policy Statement, signed by the Board Chair and Principal/CEO. This included a commitment to review and revise the Policy annually;
- The newly-appointed Health & Safety Officer would further review the Policy to ensure it reflected was comprehensive and reflected best practice.

The H&S Lead Governor commented that the Policy was comprehensive.

Resolved:

That the Board be recommended to approve the revised Health and Safety Policy.

ACTION: REPORT TO BOARD

Health & Safety Report

The Finance Director submitted the termly Health and Safety Report (previously circulated) covering the following issues:

- Health and Safety Training;
- Reportable Incidents – None;
- Fire Evacuation Procedures – completed at each campus;
- Fire Risk Assessment update – the College had received the new Fire Risk Assessment (FRA) for the LR campus. The College was addressing the prioritised Action Plan;
- Fire Prevention actions update;
- Accidents – 44 to date
- First Aid – London Road – noted as area for improvement
- PPM compliance – up to date and compliant
- Health and Safety Group meetings held.

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Regarding the Confidential Annexe on the number of accidents/incidents reported (previously circulated), the Finance Director informed that, as result of the latest report, the new H&S Manager would be reviewing the accident severity rating and accident category. The Committee agreed with this approach and commended the low rate of accidents at the College.

The Principal/CEO reported that an EHO inspection that had taken place in Origins Restaurant in December 2017. He was pleased to report that, as a result of a re-inspection, the Restaurant had been re-awarded a Top Grade 5. Committee commended the work to achieve this top rating.

Resolved:

That the Health and Safety Report be noted.

06/18. **Estates Report Termly Report** (Appendix 8)

The Committee considered a Confidential Report (previously circulated), setting out updates on a variety of estate issues, including –

- Estate strategic priorities;
- Activity regarding potentially under-utilised assets;
- Ongoing and imminent estates condition improvement activities;
- Strategic developments; and
- Potential boundary dispute.

the details of which are set out in a Confidential Minute.

Resolved:

That the Estates report be noted and that the Committee supports the College's current approach with respect to the request for a cycle path from the Weir Hill Estate to London Road.

07/18. **Risk**

As part of the discussions on the College's Risk Register and Board Assurance Framework agreed at the last Board meeting (Board Min No. 67/17 refers), each committee, at each meeting, will examine those risks within its remit and ensure that they have either been identified or adequately discussed at the meeting. All committee agendas now featured a final item to consider whether risks connected with that committee had been effectively addressed in the meeting.

The Committee concluded that the risks connected with the Committee had been identified and that there had been sufficient discussion of the issues at the meeting.

08/18. **Additional Business**

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

Flooding at English Bridge Campus

The Principal/CEO reported that the College had recently experienced a flood as the result of a burst heating pipe at English Bridge (EB). Students' work had been safeguarded and teaching had not

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been interrupted. The incident had occurred over the weekend on the top-floor at EB Campus, resulting in significant water damage to two classrooms and office areas below. He praised the College staff, including the Estates and IT Teams and teaching staff who had dealt very effectively with the clean-up, IT issues and in re-arranging teaching. The College's Loss Adjuster had visited the site to assess the extent of the damage and would revisit the site again, to further assess the water damage, once it has dried out.

The Committee requested that the College investigate making the Basement more habitable, in order to acquire insurance.

09/18.**Date of Next Meeting** – Tuesday, 15 May 2018 at 5.30 p.m. Venue – CEO/Principal's Office, Welsh Bridge Campus.

The meeting concluded at 19:05