

SHREWSBURY COLLEGES GROUP

MINUTES

Group :	FINANCE AND BUSINESS OPERATIONS	Date:	15/05/2018
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. Note: R. Heath attended the meeting via telephone conferencing and, in accordance with Instrument 12, counted towards the quorum for the meeting.		
IN ATTENDANCE:	Member of the Senior Leadership Team: Mark Brown, Group Vice-Principal Information and Strategic Development (GVP - I&SD) Paul Partridge, Finance Director Clerk to the Board, Tracy Cottee		
APOLOGIES:	None.		

10/18. **Declarations of Interest**

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

11/18. **Minutes – 14 March 2018**

Resolved:

That the Minutes of the meeting held on 14 March 2018, be approved as a true and correct record.

12/18. **Matters Arising**

Flooding at English Bridge Campus

Further to F&BO Minute Number 08/18, the Finance Director reported that the remedial works had been completed and the insurance claim settled. Affected classrooms had been refurbished with new parquet floors and one classroom with a suspended ceiling. The second classroom affected will have an additional suspension installed in half term to improve acoustics.

Estates Report Termly Report

Further to F&BO Minute Number 06/18, the Finance Director reported that the new Health & Safety Officer had been appointed. The appointee was a former fire officer and was currently reviewing the College's H&S Policy.

Further to F&BO Minute Number 06/18, the Committee was presented (tabled at meeting) with a plan and a briefing note, including costings, on the development of the HE Centre at London Road

Campus. An architect had been appointed and had produced a detailed specification, which had allowed the College to approach contractors for detailed comparative quotes. The College had selected the best-value quote and was working with the preferred contractor to further value engineer the project to achieve more efficiencies. The Finance Director explained the process by which the preferred contractor was appointed. The Finance Director proved assurance that he was satisfied that the procurement was well within public sector procurement requirements and that the approach taken had delivered a value for money solution and that the preferred contractor also had experience in the sector.

The Principal/CEO explained that the works would be ready for the beginning of the September 2018 Term. The contractors are aware of key events taking place at the site during the development period and would coordinate works accordingly.

13/18. **Management Accounts – Year to Date 2017 - 2018** (Appendix – Agenda Item 5)

The Committee considered a report (previously circulated) with respect to the management accounts featuring -

1. A Management Accounts report which highlighted the key results, measures and risks; and
2. An appendix, setting out the key movements, together with key assumptions.

The Committee reviewed the changes to forecast full-year outturn EBITDA from Half Year as at 31 March 2018.

The Finance Director explained that the remaining challenges to successful delivery of the budgeted financial outcome are:

- Trade union studies work which will continue to be delivered into July 2018 and may not generate the forecast income; and
- The required AEB subcontracted income is not delivered by subcontractor partners.

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

The absence of a 2018/19 Non Levy Contract presented a significant financial challenge and reputational risk to the College for 2018/19, but was not currently expected to significantly impact 2017/18 financial results.

Trade Union Studies courses were enrolled to on relatively short lead times, which made forecasting and planning delivery challenging. In addition, there had been issues with eligibility of funding for some candidates. This had been compounded by delays in recruiting staff, delaying provision in the North of England.

Committee members also asked additional questions with respect to the College's valuation policy and the level of spend incurred by the College's Marketing Team.

The Finance Director provided a verbal update on the College's option so it could continue to offer Non-Levy funded Apprenticeships through another provider. The GVP-I&SD was engaging with the Education & Skills Funding Agency (ESFA) to provide assurance that the College would meet the required rules before it issued a contract variation. The GVP-I&SD was comfortable that the College's approach would meet audit requirements.

Resolved:

That, having considered the report, the Committee recommended to Board the Management Accounts for the six months to 31 March 2018, highlighting key results, measures and risks.

ACTION: REPORT TO BOARD

14/18. **Fees Policy 2018 – 2019** (Confidential Appendix – Agenda item 6)

The Group Vice-Principal Information and Strategic Development (GVP-I&SD) presented the Draft Fees Policy 2018 – 2019 (previously circulated) for review and recommendation to Board. The document set out for staff and students the College's approach to the remission, charge and refunding of fees. The Policy was based on the Government's Funding Rules with respect to 2018 - 2019, Adult Education Budget (AEB) and Apprenticeships; however, the College had some discretion in setting other fees, for example, H.E.

In accordance with the Committee's request (F&BO Min. No 18/17 refers), the Policy had been brought to the Committee earlier in the work cycle.

The Committee reviewed the table of changes to the Policy, which were minor in nature. The GVP explained that the Policy included changes in the delivery of Apprenticeships going forward and the expectation that employers would have to pay a 10% contribution.

The Clerk reported that, as the next Board meeting would not be held until July 2018, it would be pertinent to seek a Chair's Action to approve the Policy, in order for it to be circulated in the College. This was agreed.

Resolved:

That the Fees Policy 2018 – 2019, be recommended to Board and approved by Chair's Action.

ACTION: REPORT TO BOARD

15/18. **Risk**

As part of the discussions on the College's Risk Register and Board Assurance Framework agreed by Board (Board Min No. 67/17 refers), the Committee examined those risks within its remit to ensure that they have either been identified or adequately discussed at the meeting.

The Committee acknowledged the increased risks in the delivery of AEB from this point, which was to expand sub-contracting to address the shortfall in the Trade Union Studies budget forecast.

A Committee member made reference to a recent cyber attack at Durham Sixth Form Centre and enquired on the College's security systems. The GVP-I&SD explained that the College's Internal Audit Service had undertaken a cyber security audit recently, with no emerging concerns. A set of good practice recommendations were currently being discussed and the final audit report would be presented to the Audit Committee.

The Committee considered that Risk No. 2.9 (Risk that cash flow levels aren't monitored effectively which leads to late payment of invoices, interest charges, a creditor day ratio in excess of 45-60 and failure to comply with bank covenants) be either removed or revised. The Finance Director asked to consider the suggestion. The Committee also suggested that the report could use a 'RAG' rating to indicate the risk 'climate' at a particular time.

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.

17/18 **.Date of Next Meeting** – Tuesday, 26 June 2018 at 5.30 p.m. Venue – CEO/Principal's Office, Welsh Bridge Campus.

The meeting concluded at 6.37 p.m.