

Kirklees College Corporation

**FINANCE COMMITTEE****Minutes of the meeting held at 2.00pm on Friday 15 March 2019 at the Huddersfield Centre**

Present:	Mr J Williams Ms M Gilluley Mr G Hetherington Mr H Linn Mr J Royle Mr M Varyani	Independent member (Chair) Principal and Chief Executive Independent member Independent member Independent member Independent member
Attendance:	6/8 = 75%	[KPI 80%, Quorum 3]
Apologies:	Ms C George Prof J Thompson	Independent member Independent member
In attendance:	Mr D Winward Ms M Brooke Ms R Meara Mr A Oldham	Clerk to the Corporation Deputy Principal Director of Finance Financial Controller
Apologies:	Mr E Croston Mr A McConnell	Co-opted advisor (Kirklees Council) Co-opted advisor

**35. Apologies for absence**

Apologies were received as above.

**36. Declarations of Interest**

Mr Hetherington repeated his declaration of interest in the sale of the Holmfirth Centre, as a personal friend of the prospective purchaser.

**37. Minutes of the previous meeting**

The minutes of the meeting of 18 January 2019 were approved as a correct record.

**38. Matters arising from the previous meeting**

The Committee received an update on agreed actions. There were no outstanding actions.

**39. Financial Regulations: items requiring approval**

The Director of Finance sought approval for 5 requisitions above the £100k threshold requiring the Committee's approval. Four of these were in respect of IT capital items and one for agency staffing. Ms Meara assured the Committee that best value procedures had been followed.

***RESOLVED:***

- i. to receive the report;*
- ii. to approve the requisitions as requested.*

**40. Financial Report**

Mr Oldham presented the monthly financial report for the period to 31 January 2019. He highlighted:

- the key headline measures of Operating Performance (EBITDA), cash-flow and financial health, were all RAG-rated Green at this stage;
- a key concern remained over tuition fees (£710k below plan), with shortfalls apparent on all fee budget lines other than Managing Agency;
- pay costs were £479k under budget and this was £1.1m below the same position in the previous year, primarily due to the restructuring. It was reported that the staff:income ratio would be impacted by a change to include agency teaching staff costs as well as employed teaching staff. In response to a question, the DoF assured the Committee that the FEC benchmark would continue to be met, despite this change;
- cash levels were in excess of forecast;
- two new emerging risks had been identified. These related to income for high needs additional learner support (although this was RAG-rated Green at this stage) and non-receipt of Restructuring Fund (RF) working capital (although this had largely been resolved since the report was prepared).

In discussion, members:

- were assured by the Principal that much work was taking place to mitigate the impact of changes in eligibility which had affected adult fee income significantly;
- were reassured by the positive income position in the Construction curriculum area and were informed that further work being done to build on this;
- accepted that the biggest risks were external changes which were often difficult to anticipate;
- questioned the poor performance of refectories. This was attributed to factors such as the impact of student volumes which did not justify a multi-service provision, the cost of produce, staff sickness, and the general view of students that prices were too high;
- questioned the position on sub-contracting. The DoF responded that she estimated there would be a shortfall at year end of £50k (worst case). The College was unable to increase sub-contracting due to being subject to intervention. However, there was some potential to make up at least some of the shortfall by direct delivery of apprenticeships. Ms Meara gave her view on each of the contracts and whether they were likely to be achieved.

***RESOLVED: to receive the report.***

#### **41. Financial Recovery Plan update**

***RESOLVED: to declare Minute 41 as confidential under Clause 17(2)(d) of the Instrument of Government.***

#### **42. Mid-Year Budget Review**

***RESOLVED: to declare Minute 42 as confidential under Clause 17(2)(d) of the Instrument of Government.***

#### **43. Fees Policy**

The Director of Finance presented the draft Fees Policy for 2019/20. She highlighted the changes from the current year policy.

The fees rates were proposed to be largely unchanged. It was considered that raising Adult Education and Higher Education fees would not improve participation. Fee rates for Community Learning fees rates were to be rationalised from 6 groups to 3.

In response to a question, the DoF confirmed that leisure courses would not run if minimum numbers of learners were not achieved.

***RESOLVED: to recommend to the Corporation approval of the 2019/20 Fees Policy.***

**44. Estates matters**

***RESOLVED: to declare Minute 44 as confidential under Clause 17(2)(d) of the Instrument of Government.***

**45. Publication of Papers and Declaration of Confidentiality**

***RESOLVED: the papers relating to Financial Report, Financial Recovery, Mid-Year Budget Review and Estates matters were to be declared confidential under Clause 17(2)(d) of the Instrument of Government.***

**46. Date of next meeting**

**Friday 3 May 2019, 2pm.**