

FINANCE COMMITTEE**Minutes of the meeting held at 1.00pm on Friday 16 November 2018 at the Huddersfield Centre**

Present:	Mr J Williams	Independent member (Chair)
	Mrs C George	Independent member
	Mr G Hetherington	Independent member
	Mr H Linn	Independent member
	Mr J Royle	Independent member
	Prof J Thompson	Independent member
	Mr M Varyani	Independent member
	Ms M Gilluley	Principal and Chief Executive
Attendance:	8/8 = 100%	[KPI 80%, Quorum 3]
Apologies:	None	
In attendance:	Mr D Winward	Clerk to the Corporation
	Ms M Brooke	Deputy Principal
	Mr E Croston	Co-opted advisor (Kirklees Council)
	Ms R Meara	Director of Finance
Apologies:	Mr A McConnell	Co-opted advisor

12. Apologies for absence

All members were present. Apologies were received as above.

13. 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.

14. Minutes of the previous meeting

The minutes of the meeting of 21 September 2018 were approved as a correct record.

15. Matters arising from the previous meeting

The Committee received an update on agreed actions.

The Director of Finance provided a written report on the performance of the BlackRock investment fund. Minute 17/2017 refers. Members of the Committee, as Trustees of the Thomas Armytage Endowment Fund, had previously requested that £25k be invested in the BlackRock Charinco fund. The report showed that the performance of the fund was on or around the level of similar investments in its class.

RESOLVED: to receive the report.

16. Financial Regulations: items requiring approval

The Director of Finance sought the Committee's approval for 3 requisitions over the £100k threshold requiring authorisation by the Committee. These were in respect of a 5 year lease for printing and photocopying, agency staffing and insurance, all of which were provided for in the budget.

A member questioned how the level of payments made to Stafflex had changed. It was reported that an overall increase was anticipated this year due to a greater number of 'Higher Needs' students requiring support workers. It was considered that the rates charged by Stafflex were competitive, but following the review of procurement processes, the contract was to be reviewed to ensure best value was being obtained. Some former agency staff had been taken on as employees of the College. The Committee was mindful of the impact of agency staff costs on the staff:income ratio.

RESOLVED: to approve the requisitions as requested.

17. Financial Report

The Director of Finance presented the monthly financial report for the period to 30 September. At this early stage in the year, there was limited actual funding data available. However, she highlighted that:

- the key headline measures had been adjusted to reflect current priorities – EBITDA, cash balances, financial health, all of which were RAG-rated Green at this stage;
- pay costs were £255k under profile, which was regarded as a positive indicator;
- a key concern was HE recruitment levels and associated fee income;
- the adverse variance of £830k income shown on the balance sheet was the result of an adjustment to the RF Grant by the Transaction Unit from £11.3m to £10.4m. However, this would not affect the working budget;
- the cashflow working forecast had been adjusted to reflect the delay in payment from the Restructuring Fund, and the improvement in the cash position.

In discussion, members:

- sought information on how finance data was provided to curriculum areas. It was reported that live data was now available to managers through the new finance accounts system. This monitoring was supplemented by a risk-based programme of review meetings between the finance team and curriculum managers;
- questioned the apparently low level of some sub-contractor values. It was explained that these were residual contracts which would be managed out.

RESOLVED: to receive the report.

18. Draft Members Report and Financial Statements 2017/18

RESOLVED: to declare Minute 18 as confidential under Clause 17(2)(d) of the Instrument of Government.

19. Financial Recovery

RESOLVED: to declare Minute 19 as confidential under Clause 17(2)(d) of the Instrument of Government.

20. Estates matters

RESOLVED: to declare Minute 20 as confidential under Clause 17(2)(d) of the Instrument of Government.

21. ESFA Assessment of Financial Health

The Director of Finance presented a report on the ESFA's assessment of the College's financial health. As expected, the assessment was 'Inadequate' for 2017/18 and 'Satisfactory' for 2018/19, following actions taken by the College to drive financial recovery.

RESOLVED: to receive the report.

22. Thomas Armytage Technical School Endowment Fund

The Clerk presented a report on this fund, for which members of the Finance Committee were the trustees.

The trustees had been consulted by email on a proposal to use the fund to support the College Outstanding Learner Awards ("The COLS"), which had previously had no monetary reward attached; a trophy and certificate being the prize. The COLS were a more recent College initiative, but effectively had the same purpose and eligibility requirements as the Armytage awards. Nominations for COLS were considered by an awards panel.

For the past couple of years, the two awards ceremonies had been held on the same evening, which had highlighted some disparity. The proposal would allow a single combined nomination to be made, eliminating duplication and removing the different approach to reward, which appeared inconsistent and unfair to many.

Trustees were supportive of the proposal and agreed to provide for up to 39 COLS awards at £30 each.

RESOLVED: to approve the proposals as reported.

23. Publication of Papers and Declaration of Confidentiality

RESOLVED: the papers relating to Draft Members Report and Financial Statements, Financial Recovery, Estates matters were to be declared confidential under Clause 17(2)(d) of the Instrument of Government.

24. Date of next meeting

Friday 18 January 2018, 2pm.