

FINANCE COMMITTEE**Minutes of the meeting held at 2.00pm on Friday 18 January 2019 at the Huddersfield Centre**

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| 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 |
| Attendance: | 7/8 = 88% | [KPI 80%, Quorum 3] |
| Apologies: | Ms M Gilluley | Principal and Chief Executive |
| In attendance: | Mr D Winward | Clerk to the Corporation |
| | Ms M Brooke | Deputy Principal |
| | Mr A McConnell | Co-opted advisor |
| | Ms R Meara | Director of Finance |
| Apologies: | Mr E Croston | Co-opted advisor (Kirklees Council) |

25. Apologies for absence

Apologies were received as above.

26. 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.

27. Minutes of the previous meeting

The minutes of the meeting of 16 November 2018 were approved as a correct record.

28. Matters arising from the previous meeting

The Committee received an update on agreed actions.

RESOLVED: to receive the report.

29. Financial Regulations: items requiring approval

There were no items requiring the Committee's approval. The Director of Finance reported that the contract with Tenet for procurement advice had been signed.

RESOLVED: to receive the report.

30. Financial Report

The Director of Finance (DoF) presented the monthly financial report for the period to 30 November 2018. She highlighted:

- the key headline measures of Operating Performance (EBITDA), cash-flow and financial health, were all RAG-rated Green at this stage;

- pay costs were £360k under profile, which was regarded as a positive indicator. Early indications were that this figure would be around £420k in the December accounts;
- a key concern remained over tuition fees, with shortfalls apparent on all fee budget lines other than Managing Agency. This was disappointing but not unexpected as low levels of HE recruitment had previously been reported. A further update would be provided at the March meeting of the Committee;
- the assessment of financial health was Satisfactory and this rating was forecast to continue through the year;
- cash levels were in excess of forecast.

In discussion, members:

- questioned whether the savings in staff costs were due to staff vacancies and whether this was having an impact on delivery and the College's ability to generate new business. The DoF responded that the College now had a healthier proportion of full-time versus part-time staffing which had allowed greater flexibility and the merging of some groups of learners. There had been no negative impact on delivery;
- questioned whether HE groups were being similarly amalgamated. It was reported that there was limited scope for this due to smaller groups in specialist HE subjects;
- questioned whether the fees deficit was greater or less than at the same point in the previous year. It was reported that HE fees were similarly below profile. A short-term contractor had been recruited to consider the future HE strategy;
- sought information on how the lagged funding formula would affect future funding. The DoF explained the process and that the current over delivery for 16-18s would be funded next year. The current position of 125 students above profile represented £0.5m which would be paid in 2019/20;
- questioned the current funding position for High Needs students. The DoF reported that the funding level had been agreed with the local authority and this line was expected to be rated Green in the December accounts. Members considered that this should remain as a risk on the College's risk register as funding was known to be limited nationally.

RESOLVED: to receive the report.

31. Financial Recovery Plan update

RESOLVED: to declare Minute 31 as confidential under Clause 17(2)(d) of the Instrument of Government.

32. Estates matters

RESOLVED: to declare Minute 32 as confidential under Clause 17(2)(d) of the Instrument of Government.

33. Publication of Papers and Declaration of Confidentiality

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

34. Date of next meeting

Friday 15 March 2018, 2pm.