

Minutes

MEETING OF RESOURCES COMMITTEE

DATE WEDNESDAY 15th JUNE 2016
VENUE PS108 CONFERENCE ROOM, PROFESSIONAL STUDIES BUILDING, PARSON'S WALK, WIGAN CAMPUS

ATTENDANCE

Committee Members:

Diane Brennan, Chair
Susan Loudon
Rod Stockwell
Susan Spibey
 Jennifer Cockram
 Gai Murphy
 Anna Dawe

Ex Officio

Liz Shea

Clerk to the Governing Board

Lorna Lloyd-Williams

Vice Principal Finance
 Vice Principal, College Services
 Vice Principal, Business Services
 Assistant Principal, College IT Service and MIS

Claire Jarvis
 Louise Brown
 Chris Davey
 Dave Harrison

Italics denote absence

The Chair opened the meeting at 5.00pm and the meeting was quorate.		
R/16/06/36	1	APOLOGIES The Clerk advised that apologies had been received and these were accepted from Susan Spibey, Rod Stockwell. It was noted that Susan Loudon's leave of absence had come to an end.
R/16/06/37	2	DECLARATION OF INTERESTS – There were no declarations of interest made.
R/16/06/38	3	MINUTES OF THE MEETING HELD ON 9th MARCH 2016 The minutes of the meeting held on 9 th March were accepted as a true and correct record and approved for signature by the Chair.
R/16/06/39	4	MATTERS ARISING The committee noted that all actions were either completed or scheduled.
R/16/06/40	5 5.1	FINANCE Monthly Financial Report and Management Accounts The Vice Principal Finance spoke to her report. She advised that she had undertaken a full year reforecast.

		<p>The key information reported was as follows:</p> <ul style="list-style-type: none"> • The final outturn forecast shows that the budget surplus will be met and is likely to be exceeded. • Expect to exceed fee targets. • Governors were taken through various items of expenditure. • Major change in relation to sub-contractors is that the cost has risen but there has been a corresponding rise in income. • The effect on the Balance Sheet is generally positive – will increase reserves slightly higher than budgeted. • Cash levels are in a similar position. • KPIs are as expected. <p>Governors were taken through the various items of expenditure and asked questions regarding the financial health criteria. It was explained that the management accounts had been prepared under the old financial health criteria whereas the Budget was under the new criteria. Governors raised other further questions about the differences in items of expenditure between the management accounts and budget, the impact of non-compliance with bank covenants and items of adjustment on the forecast balance sheet all of which were answered by the Vice Principal Finance.</p>
R/16/06/41	5.2	<p>2016-17 Annual Budget and 3 Year Financial Forecast for Recommendation to the Board</p> <p>The Vice Principal Finance spoke to her report. The following key points were made:</p> <ul style="list-style-type: none"> • For the budget surplus of £800k there is a corresponding increase in expenditure. • Expect to achieve a current ratio of 1 which would give a good grade under the new FSA financial health criteria. • Most funding lines reflect the allocation of funding; Governors were taken through the individual funding lines. There will be no EFA claw-back so the budget target will be what we achieve. • Governors were taken through various items of expenditure including : <ul style="list-style-type: none"> ➢ Pay – increased staff costs. Now have a full year, sizeable impact of NI increases in 2016-17 also expecting an increase in LGPS contributions. ➢ Sub-contracting will reduce. <p>Governors questioned why the surplus is only going up slightly and having received an explanation they asked the Vice Principal Finance to set out in the papers to Board why a lower surplus was being budgeted and advised they needed to see something commercial about agreeing to the strategic plan and why expenditure is higher than income in respect of investment and capital in new delivery lines.</p> <p style="text-align: right;">Action Point: Vice Principal Finance</p> <p>Governors also raised questions about an item relating to a loan in the balance sheet, accrued expenses and provisions and the cash flow forecast. In relation to the latter they noted that it was predicted that there would be a low point in March which the Vice Principal Finance explained was due to the SFA/EFA payment profile. The Committee advised that this needed to be monitored and asked that the Vice Principal Finance keep looking at it.</p> <p style="text-align: right;">Action Point: Vice Principal Finance</p> <p>It was</p>

		<p>Resolved: to recommend the numbers element up to the Governing Board with commercial narrative to explain why the surplus is low.</p>
R/16/06/42	5.3	<p>Review of Financial Regulations and Associated Policies for Recommendation to the Board: Procurement Policy, Treasury Management, Anti-Bribery</p> <p>The Vice Principal Finance spoke to her report.</p> <p>In relation to the Financial Regulations she advised that there had not been any significant changes made. The only change was to the depreciation policy in that the previous threshold was £10k which is very high in the sector; this had been brought down in accordance with the sector to £1.5k. The Governors were taken through other changes to the depreciation policy.</p> <p>In relation to the Treasury Management Policy Governors asked for consistency in references to the Board as there is reference to the Corporation. They also questioned why the particular banks had been selected which was answered to the committees satisfaction.</p> <p style="text-align: right;">Action Point: Vice Principal Finance</p> <p>In relation to the Procurement Policy – it was confirmed that purchases over £20k require the Vice Principal Finance's signature, over £30k require the Principal's signature and over £100k require the Chair's signature is standard within the sector.</p> <p>Resolved: to recommend the Financial regulations with requested changes and associated policies to the Governing Board for approval.</p>
R/16/06/43	5.4	<p>Briefing of the Impact on FRS012 on the College</p> <p>The Vice Principal Finance spoke to her report.</p> <p>The new accounting standard and new reporting standard will be applicable to the sector. Governors were taken through the impact of this on the reporting.</p> <ul style="list-style-type: none"> • There will be no impact on Government or non-Government grants. • The charge in relation to employee benefits was explained. • Will have to restate prior year results in accordance with FRS012 • There will be no impact on reported results. • FSA has now reassessed the way that financial planning is done and financial health. This will have a detrimental effect on the financial health of the sector. • Governors were taken through the impact of the new SFA Financial Health calculations, reported score = 170 which means the college will be at the top of satisfactory.
R/16/06/44	6	<p>REPORT ON PROCUREMENT</p> <p>Annual Report to the Committee</p> <p>The Vice Principal Finance spoke to her report and confirmed compliance with procurement. She advised that procurement will be incorporated into the value for money report to be presented to Audit Committee and Resources Committee in the autumn term. She advised that a procurement specialist had been appointed and will report in the autumn term.</p> <p>Governors noted the report.</p>
R/16/06/45	7	<p>TREASURY MANAGEMENT REPORT</p>

		<p>Annual Report to the Committee</p> <p>The Vice Principal Finance spoke to her report.</p> <p>She advised that there had been were no significant decisions regarding cash deposits. Governors questioned how the college ties in with the Banks compensation limits and the Vice Principal was asked to check the limits and report back on this.</p> <p style="text-align: right;">Action Point: Vice Principal Finance</p> <p>She also advised that as some of the cash balances are restored she will be looking at a different Treasury Management Policy.</p> <p>Governors asked how it was decided to strategically invest. They were informed that there is not a treasury strategy currently, partly because the capital reserves are low since the new build. The Vice Principal Finance agreed to look at a strategy for treasury management going forward.</p> <p style="text-align: right;">Action Point: Vice Principal Finance</p>
R/16/06/46	8	<p>ESTATES</p> <p>Estates Strategy for Recommendation to the Board</p> <p>The Vice Principal College Services spoke to her report.</p> <p>She advised that the Estates Strategy is being reviewed, the short term approach is to carry out essential maintenance only and capital work for the new curriculum offer developments. The medium to longer term plan is to look at rationalisation of the estate and discussion took place around the estate.</p> <p>Governors asked questions regarding space utilisation and the budget which were answered satisfactorily.</p> <p>Resolved: to recommend the Estates Strategy to the Governing Board.</p>
R/16/06/47	9	<p>HUMAN RESOURCES</p> <p>People Performance Scorecard</p> <p>The Vice Principal College Services spoke to her report. The following key points were noted:</p> <ul style="list-style-type: none"> • Sickness absence has continued to decline and remains low. • Performance review – 100% completed last year, at 98% at mid-year reviews. • Recruitment and retention strategy has been very successful, vacancies have been filled. • Agency staff – have been used for a number of staffing solutions and kept to a minimum. • Staff enrichment has been well received. <p>Governors thanked the Vice Principal for her report and noted that it was very good.</p> <p>Governors asked whether there were benchmarking figures across the sector for example in relation to absence rate comparison for similar size colleges. They were informed that benchmarks were taken from the Association of Colleges and Chartered</p>

		<p>Institute of Personnel and Development reports. Governors asked that within the papers be included a reminder of where targets are obtained from and that the dashboard, which should be included at the beginning of the pack, have an arrow included to show direction of travel.</p> <p style="text-align: right;">Action Point: Vice Principal College Service & Clerk.</p>
R/16/06/48	10 10.1	<p>GOVERNANCE</p> <p>Review of Terms of Reference for Recommendation to the Board</p> <p>Governors requested that 7.1.1 change annually to more frequently and that the quoracy be amended to 3.</p> <p style="text-align: right;">Action Point: Clerk</p> <p>It was RESOLVED: that the terms of reference with the requested changes be recommended to the Board for approval.</p>
R/16/06/48	10.2	<p>Business Cycle 2016/17</p> <p>With the addition of the Marketing Strategy the Business Cycle was approved.</p>
R/16/06/49	10.3	<p>Review of Committee Performance</p> <p>Governors requested that some sort of benchmarking be included in the evidence column – who do we think we are like / who we aspire to be like. Need this as triangulation/assurance.</p> <p style="text-align: right;">Action Point: Clerk</p>
R/16/06/50	11	<p>POLICIES AND PROCEDURES</p> <ul style="list-style-type: none"> <p>Staff Disciplinary and Grievance Procedures for Recommendation to the Governing Board</p> <p>The committee were informed that the procedures were generally unchanged with no legislative amendments made. Governors were taken through the minor amendments. Governors questioned the level of their involvement and the Vice Principal College Services explained at length the procedures in place and reasons for them. It was</p> <p>Resolved: to recommend the Staff Disciplinary and Grievance Procedures to the Board</p> <p>Environment and Sustainability Policy for Recommendation to the Governing Board</p> <p>The Vice Principal College Services reported that there had only been minor changes. It was</p> <p>Resolved: to recommend the Environment and Sustainability Policy to the Board</p> <p>Resolved:</p>

		<ul style="list-style-type: none"> • Subcontracting Fees and Charges Policy for Recommendation to the Board <p>The Vice Principal Business Services reported that the policy had been reviewed and no changes were needed. He advised that the College will be scaling down on sub-contracting and the Chair commented that Governors need to monitor sub-contracting as the Skills Funding Agency are very hot on this and are happy that it is reducing. It was</p> <p>Resolved: that the Subcontracting Fees and Charges Policy be recommended to the Governing Board.</p>
R/16/06/51	12	<p>ANY OTHER BUSINESS</p> <p>The clerk advised that the next meeting would be T.B.C.</p>
R/16/0	14	<p>DATE AND TIME OF NEXT MEETING</p> <p>The next meeting will be TBC.</p>
The Chair declared the meeting closed at 7.05 pm		

Lorna Lloyd-Williams, Clerk to the Governing Board

Signed _____ Chair