

**Minutes of a Meeting of
the Finance and General Purposes Committee
on Monday 10 September 2018 at 5.30pm at Richard Huish College**

In Attendance: Jonathan Langdon (Chair), John Abbott (Principal), Duncan Alexander (part), Guy Adams and Karuna Tharmananthar.

Also in Attendance: Xanne Blythe (Clerk to the Corporation) and Paul Lonsdale (Vice Principal - Finance).

Apologies: David Tomaney (Vice-chair).

FGP 1 **Declarations of Interest (agenda item 2)**

No declarations of interest were declared for items on the agenda.

FGP 2 **Minutes of the Meeting of the Previous Committee (agenda item 3)**

RESOLVED: that the minutes dated 18 June 2018 be agreed and signed as a true record with no identified sections of the minutes to be withheld from publication due to commercial sensitivity.

The meeting noted that under the 2018-19 budget discussion item, Committee Governors had declared their interests in Richard Huish Trust, the budget item under discussion had then been submitted to the subsequent Corporation meeting dated 2 July 2018 for final approval. Due to a number of apologies from independent Governors and conflicts of interest from dual membership Governors the Corporation meeting discussed the budget informally during an adjournment, and circulated the 2018-19 budget to all Governors electronically for a final approval prior to submission to the ESFA in July 2018.

FGP 3 **Matters Arising Report (agenda item 4)**

The following outstanding items raised in previous meetings were discussed:

The College's only recourse of addressing the Oak House building's defects was with the new landlord once the defects' period had expired (end of July 2018), within a six year deadline period. Two separate health and safety consultants had advised on the inadequacy of two rooms for dual occupancy. One room had a low sloping ceiling and the second room did not have enough space to allow for two beds due to the bathroom door opening outwards. **PLO**

A post Oak House project appraisal meeting had been held on 3 September 2018 and one of the conclusions from this meeting was to pursue a potential claim with the architect and developer for not delivering a fit for purpose building. This report and associated recommendations were due to be submitted to the next Corporation meeting dated 24 September 2018 for final approval.

RESOLVED: that the Matters Arising report be noted.

FGP 4 **Financial Reports (agenda item 5)
(a) Management Accounts - July 2018 (Period 12)**

A narrative report with a summary of the income and expenditure was provided and variations from

KPIs were highlighted.

In response to detailed questions, further information and clarification was provided about individual budget lines and headings. The following areas were covered in particular:

- a column to show movements between period 11 and 12 was included, the narrative in the report highlighted any changes,
- currently for the 2017-18 year end a surplus of £6K was predicted,
- the performance ratios EBITDA, deficit as a percentage of income and adjusted current ratio were noted in particular, the meeting also highlighted the key ratios linked to the College's financial health with the associated improvement to the balance sheet position,
- the staff costs percentage was slightly over the annual target of net income,
- the apprenticeship outturn had been increased by £18K,
- compared to last year end debtors were considerably lower, this reflected the lower international recruitment for 2018-19 and a greater proportion of up-front payments,
- the release of Devolved Formula Capital had been avoided for the second year,
- the Chair commended the College's achievement on the practical completion of the Aspen building (Music block) on 31 August 2018, four weeks inside the allotted contract period. Staff had worked over the weekend to ensure that the building was available for teaching from the Monday morning. This addition to the College meant that Huish was now able to offer one of the most modern and well-equipped music suites and performance facilities in the country. The new facility had been marketed with a local press release and performance workshops at local feeder schools in June/July,
- the Chair queried the level of underspend on support consumables, the meeting noted that Course Managers had been questioned on whether they needed any additional resources,
- pay cost forecasting accuracy around assumptions was discussed together with the level of robust challenge around projections, ongoing dialogue with budget holders was in place,
- Governors were satisfied with the level of detail in the management report template and supported exception reporting as a method of highlighting issues for more focused attention.

RESOLVED: that the management accounts to July 2018 be noted.

FGP 5 16-19 Student Enrolment Information (agenda item 6)

A summary document was tabled at the meeting to update Governors with the 16-19 UK applicants compared to the same time in the previous year, along with international applicants.

The College had currently enrolled more 16-19 students than last year despite a smaller demographic, this would provide a larger cohort in Year 2. The meeting noted that the international recruitment was slower this year, a trend that was widely reported by all other establishments within the College's network. Increased competition and alternative foundation courses was diluting the market significantly. Further work was required on the international student conversion rate, discussion with local agents to secure student applications and diversification opportunities to other countries. The expected shortfall in the budget for international recruitment had been reduced from £200K to £35K-£40K.

RESOLVED: that the applications summary for 2018-19 be noted.

*** At this point Duncan Alexander left the meeting***

FGP 6 Richard Huish College Accommodation Strategy Planning Document 2018-2023 (agenda item 7)

A document entitled, 'Richard Huish College Accommodation Strategy Planning Document 2018-2023' had been circulated in advance of the meeting and covered a number of scenarios with more detailed options and a risk analysis. The report was intended to provoke a discussion on where the College wanted to position itself within the local and regional education and skills arena. A

demographic lift was predicted with the associated student number growth. It was more difficult to accurately predict the impact on student choice of pre-16 curriculum reform, school performance and pupil outcomes, greater availability of quality apprenticeships, the introduction of T-levels and the increasing cost of higher education.

The following key areas were highlighted during discussion:

- over the past five years the campus at South Road had been transformed with a number of new buildings with supported funding from the ESFA Condition Improvement Fund (CIF), some of the College's reserves had been allocated to these projects and this had reduced cash reserves. The impact of the new arrangements for college insolvency had made the major sector lenders wary of lending to colleges, banks were not prepared to extend their loan exposure to colleges,
- a further CIF bid would be submitted to re-clad the Redwood building and main hall by demonstrating a requirement for increased capacity,
- there was also an opportunity to review arrangements for student accommodation, and early discussions were needed to explore the potential options available to the College,
- travel plans had been produced for all buildings,
- capacity planning and the supporting infrastructure such as car parking and student social space, linked to the College's overall vision,
- the activity had been relocated from the Taunton Academy back to the main College campus (Apprenticeship Hub), an off-site venue would be a better solution to deliver apprenticeships if it continued to grow,
- 2018-19 was predicted to be the lowest point before the demographic uplift and already the College site was below the recommended level of space per student, this would be compounded by any increase in student numbers,
- the average teaching group size was 17 students and in certain areas greater efficiency gains could be made,
- a travel strategy was required as the car parking capacity would not service the College's needs with further development,
- a five year accommodation strategy was difficult to write as there were a number of scenarios that could crystallise,
- there was a demand for day and flexi boarders which required further exploration,
- the meeting agreed that a decision would be required by September 2019 and a further report would be re-submitted to the Committee to discuss the various options for a final Corporation decision.

RESOLVED: that the Richard Huish College Accommodation Strategy Planning document 2018-2023 be noted, with a further report to be re-submitted to the Committee to discuss the various options for a final Corporation decision in September 2019.

PLO

FGP 7 College Committee Health and Safety Report May 2018 (agenda item 8)

In response to a governor's query the meeting was reassured that no resource issues were impacting on the College's health and safety.

RESOLVED: that the College Committee Health and Safety report dated 21 May 2018 be noted.

FGP 8 Capital Projects (agenda item 9)

The Aspen Centre (Music block) had been covered during discussion under agenda item 5 'Management Accounts for July 2018'. The opening ceremony date for the new build would be circulated to Governors by the Clerk.

XBL

Further ongoing dialogue with the Football Foundation and Sport England was necessary to explore the 3G pitch positioning, orientation, boundary and access routes prior to the submission of a planning application in January 2019.

FGP 9 Governor Liability Insurance Review 2018-19 (agenda item 10)

The Corporation had agreed to raise governor insurance liability to a new level of £2m indemnity, at its meeting dated 23 September 2013, this level remained in place for 2018-19. The Committee noted that the insurance premium had increased.

RESOLVED: that the College governor insurance liability indemnity renewal for 2018-19 be noted.

FGP 10 Committee Self-Assessment for 2017-18 (agenda item 11)

In 2015, the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Academies, Colleges and Universities Panel published a guide for Finance Committee Members in Academies, Colleges and Universities to provide advice on establishing and promoting good financial governance.

A Good Practice Self-Evaluation Tool for Finance Committee Members built on the Panel’s work was circulated, to provide a practical way for finance committee members to review periodically their effectiveness and identify areas for future development. The Committee discussed the pre completed self-evaluation tool and agreed the judgment scores from 1 (no) to 3 (yes, strongly agree).The majority of questions were rated as a 3, with only two areas for future development for 2018-19.

Skills and Expertise/Independency – an independent governor was being sourced with accountancy skills, to enable the Committee’s independence when discussing Trust business.

FGP 11 AoB – Items of Next Agenda (agenda item 12)

With no further business the meeting concluded at 7.30pm

The minutes were agreed and signed

Chair.....

Date.....