

**Minutes of a Meeting of
the Finance and General Purposes Committee
on Monday 5 November 2018 at 5.30pm at Richard Huish College**

In Attendance: Jonathan Langdon (Chair), David Tomaney (Vice-chair), John Abbott (Principal), Duncan Alexander, Guy Adams and Karuna Tharmananthar.

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

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

Under agenda item 6 entitled, 'Draft Members' Report and Annual Financial Statements 31 July' Jonathan Langdon, Duncan Alexander and Guy Adams declared an interest in connection with Richard Huish Trust. The Members' Report and Annual Financial Statements would be submitted to the joint meeting of the Audit Committee and the Finance and General Purposes Committee meeting on 12 November 2018 for a recommendation to the Corporation for final approval.

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

RESOLVED: that the minutes dated 10 September 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.

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

The following outstanding items raised in previous meetings were discussed:

- the Richard Huish College Accommodation strategy planning document for 2018-2023 would be resubmitted to this Committee in July 2019 to discuss the various options prior to submission to the Corporation in September 2019,
- a 16-19 student enrolment update for 2018-19 was provided with 1814 enrolled students compared to last year's lower sixth entry of 1821. The meeting noted that from 2019-20 the demographic uplift would start to impact on student enrolment. Further work was being carried out on the student retention rate and the overall financial impact.

PLO

RESOLVED: that the Matters Arising report be noted.

**FGP
15** **Financial Reports (agenda item 5)**

(a) Management Accounts – September 2018 (Period 2)

The management accounts for period 2 would be circulated electronically to the Committee later in the week. The VP-F informed the meeting that there was nothing to note of any significance in the September 2018 management accounts.

RESOLVED: that the management accounts for September 2018 be circulated later in the week.

PLO

(b) Capital Projects Update

- **3G Pitch**

Further progress with the Football Foundation and Sport England had negotiated the 3G pitch positioning, orientation, boundary and access routes prior to the submission of a planning application in January 2019. Current project costs were circa £6K, which included an ecology report fee of £4.5K. Grant funding would be available from the Football Foundation and the overall project cost was provided. The project would improve quality and capacity for students and enhance community engagement. The 3G pitch would also allow for rugby with a shock pad, a full size RFU compliant rugby pitch was not necessary. The project management would be supported by the Football Foundation, a list of preferred suppliers would be used for the tender process.

The funding application was expected to be submitted to the January or April 2019 funding panel for consideration, subject to planning condition approval prior to the submission. It was expected that Sport England would object to the planning application on the grounds of placement, as the final orientation of the 3G pitch had been superimposed on the current rugby pitch. In response to a question from the Committee Chair, it was confirmed that the current orientation of the 3G pitch would not provide any constraints should the College wish to expand its building footprint in the future.

(c) Building Condition Improvement Fund Bid for 2019-20

The College had resubmitted the BCIF bid for 2019-20 in line with the criteria for condition only, the bid outcome would be provided by March/April 2019.

(d) ESFA Letter dated 15 October 2018

The ESFA letter dated 15 October 2018 gave an overview of the College's financial health, from the College's latest financial plan for 2017-18 to 2019-20. The ESFA's approach to assessing the financial health of colleges was set out in Part 3 of the Financial Planning Handbook (published May 2018). In accordance with this approach and based on the College's financial plan the following assessment grades were provided for the College:

- Good for 2017-18 (the latest outturn forecast year), and
- Satisfactory for 2018-19 (the current year budget).

A financial dashboard dated October 2018 was also included compiled from the information that all colleges had submitted to the ESFA. The dashboard incorporated various key performance indicators and measured those against both target benchmarks and sector benchmarks.

In response to detailed questions and challenge, further information and clarification was provided. The following areas were covered in particular:

- future financial forecasting beyond 2019-20 and financial health, debate ensued and it was agreed that a year-end forecast would be provided for 2020-21 to assist with informed decision making at a strategic level, although there were a number of variables that were difficult to define in the education sector,
- the increase in staff costs for the College compared to the national SFC median. The staff complement had been increased in the apprenticeship team, the College had no control over the nationally agreed pay award, enrichment activities, unique to the College, would impact on staff costs as would the shared services for the Richard Huish Trust,
- the financial dashboard had been adjusted to remove the impact of the LGPS pensions,
- cash reserves and creditors' payment terms were discussed, the debtors' days process was being managed. The tolerance in respect of cash reserves was deliberated, the timing of the capital funding had made a difference and this year no capital funding bid had been secured,
- cash days in hand for the College compared to the national SFC median, the pinch point in relation to cash flow for the College was March/April 2019,

- the new apprenticeship funding model was dependent on what had been delivered in the month,
- international recruitment would have an impact on cash holdings,
- the meeting noted that a large number of sixth form colleges included in the data had converted to academies.

RESOLVED: that a College financial forecast be provided for 2020-21, and submitted to the Committee in July 2019, to assist with informed decision making at a strategic level.

PLO

FGP 16 Draft Members' Report and Financial Statements 31 July 2018 (agenda item 6)

Due to a communication oversight the draft Members' Report and Financial Statements to 31 July 2018 had been circulated later than normal and it was noted that all Committee Governors may not have had sufficient time to read and make comment on the document. Governors were asked to forward comments electronically ahead of the joint meeting of the Audit Committee and Finance and General Purposes Committee on Monday 12 November 2018.

The meeting discussed a small surplus for the year-end, the financial statements would be circulated with an amendment. In response to a query in relation to a year-end deficit for 31 July 2018, it was noted that the College was not at risk of breaching the bank covenants.

The External Auditor's Key Issues Discussion Document (KIDD) for the year-end 31 July 2018 would be made available following further refinement and would be circulated once finalised. The VP-Finance provided an overview of the key areas raised within the document:

- related party transactions and the low associated risk,
- the land ownership and number of buildings owned by the RHC Foundation,
- the recognition of aged creditor balances on the balance sheet,
- the Oak House (accommodation) 21 year lease would not be classified as onerous.

RESOLVED:

1. that the Members' Report and Financial Statements to 31 July 2018 be noted and a revised version be circulated to the joint meeting of the Audit Committee and Finance and General Purposes Committee on Monday 12 November 2018,
2. that the key areas within the external Auditor's Key Issues Discussion Document (KIDD) for the year-end 31 July 2018 be noted.

FGP 17 College Committee Health and Safety Report 2018 (agenda item 7)

The College's Health and Safety Committee notes dated 22 October 2018 had been circulated to the Committee for comment.

In response to detailed questions and challenge, further information and clarification was provided. The following areas were covered in particular:

- EpiPen staff training and the shortage of EpiPen supplies,
- the College reception held a list of students with allergies for first aiders dealing with a response,
- the number of active employers with apprentices requiring College health and safety checks. The Committee asked for a report to the next meeting to confirm that all employers working with the College had completed their health and safety checks, and asked for this to be a standing agenda item on the College Health and Safety Committee agenda. The safety checks did not constitute a safeguarding issue.

RESOLVED: that the College Committee Health and Safety report dated 22 October 2018 be noted with an update to confirm that all employers' health and safety checks had been addressed appropriately.

FGP 18 Overseas Trip Approval for Senior Post-holders in November 2018

In the case of senior post-holders and members of the Corporation, prior formal approval had to be obtained from the Corporation in advance of any overseas travel.

RESOLVED: in accordance with the College’s overseas trip policy the Committee, **Corp**
1. agreed to recommend to the Corporation the Vice Principal-Finance’s (Senior Post-holder) visit to Hong Kong on 27 November 2018, and
2. noted the Director of Marketing, Admissions and International’s visit to Hong Kong on 27 November 2018, in connection with international student recruitment.

FGP 19 AoB – Items for Next Agenda (agenda item 12)

- 1. The Committee chair asked for clarification around the funding being withdrawn for the second Student Liaison Officer, as reported at the recent Academic Planning and Quality Committee meeting.
- 2. Parking arrangements were noted for the meeting on 12 November 2018 as there was an open College event. Where possible, future Governors’ meetings would avoid College open events.

With no further business the meeting concluded at 7.00pm

The minutes were agreed and signed

Chair.....

Date.....