



MINUTES OF THE OF MEETING OF THE FINANCE, COMMERCIAL & RESOURCES COMMITTEE HELD 13 NOVEMBER 2014

Present:	Mr P Dubrow	-Chair
	Mr P Hannan	
	Mr C Porter	
	Mr N Coffin	
In attendance	Mr J Allen (Clerk)	
	Mr M Lumsdon-Taylor	-Director of Finance & Resources
	Ms L Brown	- Vice Principal
	Ms P Powditch	- Assistant Director of Finance, MIS & ICT
	Mr D Blythe	-Baker Tilly

The meeting commenced at 09.30.

WELCOME, APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

1. There were no apologies. There were no declared interests against any agenda item.

MINUTES

2. It was **RESOLVED** that the minutes of the meeting of the Committee held 26 June 2014 be approved as a correct record and signed by the Chair.

SUMMARY ACTION LIST & MATTERS ARISING

3. The '*Summary Action List*' was received. The Committee noted the short report on possible location options for the Garden Centre. It was confirmed that a meeting is scheduled with the current owners of the Farm Shop and the outcomes from this meeting will influence any decisions on possible re-location of the Garden Centre. It was agreed to receive a further update at the next meeting. The other two action points dealing with supplier payments and cost changes to the capital programme were agenda items.

4. There were no matters arising from the minutes

PERFORMANCE REPORT

5. The College '*Performance Report*' for up to Period 3 was received. The report covered the following:

- College Operations to date (31/10/14)
 - Income & Expenditure Account & balance Sheet
 - Cash flow actual to date

- Capital expenditure to date
- Projections to 31 July 2015
 - Income and Expenditure projection to 31 July 2015
 - Capital budget projections to 31 July 2015
 - Cash flow projections to 31 July 2015
- Performance Indicators and Risk Assessment
- Appendices
 - Headline management accounts to 31 October 2014
 - Detailed cash flows including projections to 31 July 2015
 - Headline capital reports including projections to 31 July 2015
 - Detailed I&E projections to 31 July 2015

6. The following key points were noted:

- (i) The College is showing a £70,000 profit for the period (2 months) against the budget of £48,000.
- (ii) College cash flow remains ahead of planned budget.
- (iii) Revenue capital spend is in line with the agreed budget.
- (iv) Total borrowing stands at 28% of College turnover. The College's present fiscal rule is not to borrow above 30% global.
- (v) The forecast College year-end surplus is £250,000 against the budget of £285,000 (a negative variance of £35,000).
- (vi) All 5 key financial performance indicators were achieved as at 30 September 2014 and are forecast is for these all to be achieved at year-end.

7. The main risks to the budget relate to financial impact of a higher than expected reduction in retention for HE students.

8. It was **RESOLVED** to note the Performance Report.

FINANCIAL STATEMENT AND YEAR END ACCOUNTS 31 JULY 2014

9. The '*Financial Statements and Year End Accounts 31 July 2014*' were received. In attendance was Mr D Blythe (Baker Tilly). Attached to the accounts was the '*Audit Findings Report*' that will be considered by the Audit Committee. Also made available were the year-end accounts for the Students Union and Social Club. and the report '*Taxation Review*' issued by Baker Tilly (copies attached to the signed minutes).

10. The Financial Statements confirmed a Group surplus of £535k.

11. It was confirmed that the College would retain a 'Good' SFA financial health assessment at 31 December 2014, and 'Outstanding' for 2014/15.

12. The '*Audit Findings Report*' confirmed an unqualified opinion on both the financial statements and regularity audit with no control issues identified.

13. It was **RESOLVED**

- (i) To recommend that the Board at its meeting on 11 December 2014 approves the College's '*Financial Statement and Year End Accounts 31 July 2014*';
- (ii) To note the '*Audit Findings Report*' from Baker Tilly;

- (iii) To note the College's Accounting Policy;
- (iv) To note the year-end accounts for the Student Union & Social Club;
- (v) To note the tax advice given by Baker Tilly on following their taxation review and for a further review to be made on VAT following the acquisition of parts of K College.

CAPITAL PORTFOLIO UPDATE

14. The College paper '*Projects & Partnerships Portfolio Update*' was received. The report provided the Committee with a progress update on internal and external capital projects.

15. It was noted that there were no resolutions for the Committee to consider.

16. The Committee noted progress made on the project work to create £1m capital plan for 2014/14 site development at Mottingham.

17. The Committee welcomed the good progress made in the implementation of the 2013-2016 Development Plan for Court Lane Nursery and it was suggested that a governor visit should be arranged for some time in the future to enable governors to see the improvements made.

18. It was **RESOLVED** to note the report.

19. The College report '*College Commercial Engagement Plan*' was received and **NOTED**.

ANNUAL HUMAN RESOURCE REPORT

20. The College report '*Annual HR Report 2013/14*' was received. The report provided a detailed commentary on:

- Staff turnover
- Staff profile – age, gender, ethnicity, disability and length of service
- Absence
- Staff disputes
- Staff development
- Benchmarking Data
- Future Developments & Initiatives

21. The Committee welcomed the thoroughness of the report and noted the following key points:

- (i) Staff turnover was at 20.6% compared with 16% for the same period last year. The current turnover is above the sector average of 18% confirmed in published data from the Association of College. The two most common reasons for leaving were better prospects outside the education sector and personal reasons. It was also noted that to date there has been 30 leavers in the 3 month period since 01 August compared against 64 leavers for the whole of 2013/14. This higher than normal in-year staff turnover is being monitored closely and will be subject to detailed analysis. This will be a key project of the new Assistant HR Director who takes up her post in December.

- (ii) The staff absence rate stands at 5.57 working days per employee, a decrease of 1.55% on 2013 and is below the national average of 7.6 days.
- (iii) There continues to be an even distribution of the age profile amongst college employees.
- (iv) There are more female staff compared to male (208/103).
- (v) Non-white staff is 4.5% and non-white British is 6.7%, compared against 2% and 4% respectively for 2012/13,
- (vi) There are currently no Employment Tribunal cases involving the College

22. It was **RESOLVED** to note the report and the Committee wished Ms Wisdom well for her future when she leaves the College.

TENDERS

23. The College termly report '*Tenders*' was received. The Committee received details of all tender outcomes with confirmation that the College's Financial Regulations were followed.

24. The report provided the schedule of tenders planned for 2015.

25. It was **RESOLVED** to note the report.

HEALTH & SAFETY

26. The Committee received and noted the Health & Safety termly Report and the minutes of the Health & Safety Committee held 11 June 2014. Also made available was a summary of the outcomes following the recent access audit.

27. It was **RESOLVED** to note the report.

MONITORING OF COLLEGE PERFORMANCE 7 ASSESSMENT OF RISK

28. The College report '*Monitoring of College Performance & Assessment of Risk*' was received (copy attached to the signed minutes). The Committee is responsible for making assessments in the two areas of finance & estates; and staff & human resources.

29. Against the 14 agreed performance indicators for the area of finance & estates, one 'Amber' assessment was confirmed for debtor days (53 for period 2 against the target of 25 due a large outstanding payment to KCC).

30. Against the 9 agreed performance indicators of the area of staff & human resources, 'Green' assessments were confirmed against 8 performance indicators with an 'Amber' assessment made against current staff turnover

31. It was **RESOLVED** to inform the Board of the following assessments:

Finance & Estates	No Risk/No Concerns
Staff & Human resources	No Risk/No Concerns

ANY OTHER BUSINESS

32. There was no other business.

DATE OF NEXT MEETING

33. Thursday 05 March 2015 @ 09.30

The meeting closed at 11.40

Signed: _____ Date: _____
(Chair)

CURRENT FC&R SUMMARY ACTION LIST

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	REVIEW DATE
3	Further discussions on possible re-location options for Broadview Garden Centre following meeting scheduled in January with the owners of the Farm Shop.	5/3/15
13(v)	A further review to be made on VAT following the acquisition of parts of K College	5/3/15
17	A Governor visit to be arranged for some time in the future at Court Lane Nursery	5/3/15