



## MINUTES OF THE FINANCE COMMITTEE HELD 05 MARCH 2015

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 C Johannes	- Head of Finance & Projects

The meeting commenced at 09.30.

### APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

34. There ere no apologies. The Clerk advised that the membership of the Hadlow Corporation and the Hadlow Group Board to be a standing declared interest at each meeting for Mr C Porter, Mr N Coffin, Mr P Dubrow and Mr P Hannan.

### MINUTES

35. It was **RESOLVED** that the minutes of the meeting of the Committee held 13 November 2014 be approved as a correct record and signed by the Chair.

### SUMMARY ACTION LIST & MATTERS ARISING

36. The College report '*Summary Action List*' was received (copy attached to the signed minutes). The following updates were made available:

MIN REF & DATE	DETAILS OF RESOLUTION/ACTION POINT	ACTION UPDATE
3	Further discussions on possible re-location options for Broadview Garden Centre following meeting scheduled in January with the owners of the Farm Shop.	No further progress and at the present time there are no plans for the current owners to negotiate a sell of either the Farm Shop or land
13(v)	A further review to be made on VAT following the acquisition of parts of K College	Draft report received and is being evaluated and a further update to be made available to the Committee
17	A Governor visit to be arranged for some time in the future at Court Lane Nursery	To be included in the governor tour October 2015

37. It was **RESOLVED** to note the '*Summary Action List*'.

## PERFORMANCE REPORT

38. The College '*Performance Report*' for periods 1 to 6 was received (copy attached to the signed minutes). The report covered the following:

- College Operations to date (31/1/15)
  - 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 January 2015
  - 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

39. The following key points were noted:

- (i) The College is showing a £131,000 surplus against a profit of £143,000 budgeted for the period (6 months).
- (ii) The Hadlow Group net profit at the end of period 6 stands at £169k.
- (iii) College cash flow is forecast to be £1,450,000 against the budget £1,000,000 as at 31 July, a positive variance of £450k
- (iv) Revenue capital spend is in line with the agreed budget.
- (v) The year-end forecast surplus for Hadlow College is £227k against the budget of £285k, a negative variance of £58k.
- (vi) The Group surplus at year-end is forecast at £240k.
- (vii) Total core borrowing stands at £4,530,000; 27% of College turnover on a projected Hadlow College turnover of £16,963,000.

49. The Committee sought clarification on the suggested drop in income recorded in Table 3.1 that showed projected income of £15,250,000 compared to year-end income of £16,500,000 for 2013/14. The Director of Finance confirmed that the figure of £16,500,000 included release of capital grants of £1.25m. It was **AGREED** that in future performance reports to use audited account information and to compare like for like data.

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

## HADLOW PRE-BUDGET STATEMENT

51. The '*Hadlow College Pre-Budget Statement*' was received. The report provided the first indicative outline for projection budgets for Hadlow College for 2015/2016.

52. This academic year has seen flat lined growth in FE and HE core numbers and the expectation is there will be no growth in FE funding 2015/16. The overall college income is set to flat line with no in-year exceptional growth. Commercial targets have been prudently set at 2014/15 numbers. The budget factors in rising capital and consumable costs; increased employer NI and pension contributions; and potential pay awards.

53. To enable the budget to balance for 2015/16 there is a need to find savings of £500k from salaries and a further £250k from non-pay costs.

54. Further work will be done to finalise the College budget that will be an agenda item at the next meeting of the Committee.

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

#### **CAPITAL PORTFOLIO UPDATE**

56. The College paper '*College Capital Portfolio Update*' was received (copy attached to the signed minutes). The report provided the Committee with a progress update on internal and external capital projects.

57. It was noted that there were no resolutions for the Committee to consider and it was **RESOLVED** to note the report.

#### **CAPITAL PROJECTS SUMMARY SCHEDULE**

58. The College report '*Capital Projects Summary Schedule*' was received (copy attached to the signed minutes). The report provided a progress update on both College internal projects and College external projects

59. It was noted that there were no resolutions for the Committee to consider and it was **RESOLVED** to note the report.

#### **TUITION FEE POLICY AND FEES 2015/16**

60. The College report '*Tuition Fee Policy and Fees 2015/16*' was received (copy attached to the signed minutes). The policy sets out the proposed fees for full-time 16-18 years olds, full-time 19+, full time overseas students, full-time accommodation fees; fees for registration and examinations; full-time compulsory fees and a range of part-time fees.

61. It was confirmed the policy has been aligned with the proposed fee policy at West Kent & Ashford College with the only significant difference being HE fees.

62. It was **RESOLVED** to recommend that the Board at its meeting on 26 March 2015 approves the '*Tuition Fee Policy and Fees 2015/16*' - copy of the proposed Fee Policy to be attached to the minutes.

#### **ANNUAL REVIEW OF THE COLLEGE'S FINANCIAL REGULATIONS**

63. The College report '*Annual Review of the College's Financial Regulations*' was received (copy attached to the signed minutes).

64. Headline changes were summarised with a full revised set of Financial Regulations made available for the Committee to review.

65. It was **RESOLVED** to approve the revised Financial regulations.

## TENDERS

66. The College termly report '*Tenders*' was received (copy attached to the signed minutes). The report confirmed details of the tenders currently being pursued.

67. It was **AGREED** for the tender report to be updated to include details of tenders received for the Prospectus and Agriculture ICT and for the revised report to be circulated to Committee members.

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

## HUMAN RESOURCE EXCEPTION REPORT

69. The Committee received the termly '*HR Exception Report*' (Copy attached to the signed minutes). The report informed the Committee on the number of joiners and leavers; provided an update on pay and benefits; Teachers Pension Scheme; staff survey; safeguarding; and current disputes.

70. It was **AGREED** for further clarification to be made available to Committee members on the current staff turnover data and how the data compared against published AoC data and not 'industry norm' as recorded in the report.

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

## HEALTH & SAFETY

72. The Committee received the following reports (copies attached to the signed minutes):

- H&S Termly Report
- Minutes of the H&S Committee meeting held 12 December 2014
- Hadlow College Access Audit

73. It was **RESOLVED** to note the H&S termly report and to invite the line manager and author to present the summer term H&S report at the next meeting.

## MONITORING OF COLLEGE PERFORMANCE

74. The College report '*Monitoring of College Performance*' 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.

75. Against the 14 agreed performance indicators for the area of finance & estates, one 'Amber' assessment was recorded against creditor days. All other assessments were confirmed as 'Green'. It was **AGREED** to inform the Board of a 'Green' assessment (No concern/No risk) against finance and estates.

76. Against the 9 agreed performance indicators of the area of staff & human resources, 'Amber' assessments were recorded against current staff turnover and current staff vacancies. The Committee agreed to defer providing an overall assessment on staff and human resources until clarity was received on current staff turnover and how this compares against AoC benchmark data.

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

Finance & Estates	<b>No Risk/No Concern</b>
Staff & Human resources	<b>Defer Assessment</b>

### ANY OTHER BUSINESS

78. There was no other business.

### DATE OF NEXT MEETING

79. Thursday 18 June 2015 @ 09.30

The meeting closed at 11.45.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Chair)

### SUMMARY ACTION LIST

MIN REF & DATE	DETAILS OF RESOLUTION/ACTION POINT	REVIEW
13(v) & 36	A further review to be made on VAT following the acquisition of parts of K College - Draft report received and is being evaluated and a further update to be made available to the Committee	18/6/15
49	The Committee sought clarification on the suggested drop in income recorded in Table 3.1 that showed projected income of £15,250,000 compared to year-end income of £16,500,000 for 2013/14. The Director of Finance confirmed that the figure of £16,500,000 included release of capital grants of £1.25m. It was <b>AGREED</b> that in future performance reports to use audited account information and to compare like for like data	18/6/15
67	It was <b>AGREED</b> for the tender report to be updated to include details of tenders received for the Prospectus and Agriculture ICT and for the revised report to be circulated to Committee members.	
70	It was <b>AGREED</b> for further clarification to be made available to Committee members on the current staff turnover data and how the data compared against published AoC data and not 'industry norm' as recorded in the report.	18/6/15
73	To invite the line manager and author to present the summer term H&S report at the next meeting	18/6/15
76	The Committee agreed to defer providing an overall assessment on staff and human resources until clarity was received on current staff turnover and how this compares against AoC benchmark data	18/6/15

