

Minutes Finance, Planning and Resources Committee

(All resolutions passed were the unanimous decision of the Finance, Planning and Resources Committee members present unless otherwise stated)

Meeting Title	Finance, Planning and Resources Committee																		
Date	18 September 2019																		
Members	Mr G. Allen Dr J. Brumwell Mr R. Foulston - Chair Mr P. Mayhew-Smith - Group Principal / CEO																		
In Attendance	Ms. R. Devan - Director of Finance Mr R Greenaway - Deputy CEO, Finance and Resources Mr A.Slade - Principal, South Thames College Mr M.Tweedale - Principal, Kingston College Mrs H Meredith - Head of Governance																		
Key Meeting Outcomes																			
1.	APOLOGIES AND DECLARATION OF INTEREST																		
1.1	Apologies were received from Mr Cheema. Apologies were also received from the Principal, Carshalton and Merton Colleges and the Director of Human Resources who normally attend meetings of the committee.																		
1.2	Members confirmed that they did not have any other new pecuniary or other interest in any item on the agenda other than interests which have previously been declared.																		
2.	MINUTES OF MEETING OF 11 JUNE 2019 AND MATTERS ARISING																		
2.1	<p><u>Accuracy.</u> The minutes were accepted as an accurate record and signed by the chair.</p> <p><u>Matters arising.</u> Members noted the updates:</p> <table border="1"> <tr> <td>The Chair asked for more capital breakdown on capital costs in relation to disposals.</td> <td>DoF</td> <td>Sep 2019</td> <td>Actioned – see breakdown in the 2 year cashflow in the management accounts</td> </tr> <tr> <td>Governors asked for more detail on the seniority of leaving staff and for themes from exit interviews.</td> <td>DHR</td> <td>Nov 2019</td> <td>Nov 19</td> </tr> <tr> <td>The Disciplinary and Grievance Procedures for SPHs will be reviewed by the Remuneration Committee next term.</td> <td>HoG/ DHR</td> <td>Nov 2019</td> <td>Nov 19</td> </tr> <tr> <td>The committee asked for a report on Equality , Diversity and Inclusion for the September meeting of this committee .</td> <td>JMorrison</td> <td>Sep 2019</td> <td>Report completed but to be included at next full meeting - Nov 19</td> </tr> </table>			The Chair asked for more capital breakdown on capital costs in relation to disposals.	DoF	Sep 2019	Actioned – see breakdown in the 2 year cashflow in the management accounts	Governors asked for more detail on the seniority of leaving staff and for themes from exit interviews.	DHR	Nov 2019	Nov 19	The Disciplinary and Grievance Procedures for SPHs will be reviewed by the Remuneration Committee next term.	HoG/ DHR	Nov 2019	Nov 19	The committee asked for a report on Equality , Diversity and Inclusion for the September meeting of this committee .	JMorrison	Sep 2019	Report completed but to be included at next full meeting - Nov 19
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3.	MANAGEMENT ACCOUNTS TO END JUNE 2019																		
3.1	Members reviewed the management accounts, presented by the Director of Finance.																		
3.2	Members noted the £300k improvement on May’s management accounts and that work is continuing to finalise the year end position. Governors noted that it seems increasingly likely that the Group will exceed 97% of the AEB allocation for the year which, if achieved, would have a positive impact of £479k.																		
3.3	Members questioned why the year end position had not yet been finalised and the Deputy CEO explained that the two final factors awaited are – <ol style="list-style-type: none"> 1 The total of the franchised delivery forecast being achieved by partner providers; and 2 The achievement assumptions within the funding forecast being delivered at year end. 																		

	The Director of Finance confirmed that it was not unusual for the final college AEB outturn to be awaited at this stage of the financial year.
3.4	The Director of Finance explained the forecast variance from budget, as set out in the commentary to the management accounts.
3.5	The Committee reviewed the College modelling of ESFA Financial Health Indicators. The Director of Finance expressed confidence that the College financial health will be at least Good. The impact of this should be that ESFA cease their early financial intervention.
3.6	The two year cashflow had been revised in response to the committee's request for more breakdown on capital costs in relation to disposals to show normalised cashflow without disposal proceeds and planned capital investment.
3.7	Governors asked about EBITDA (actual currently 9.3) and why this is forecast to halve at the year-end. The Director of Finance explained that this is due to timing issues giving examples of the costs still expected before the year-end. The Committee asked for a breakdown of the items which make up this swing and the Director of Finance confirmed that this will be included in the July management accounts.
3.8	Governors asked about any potential clawbacks noting that if the AEB delivery falls below 97% of the allocation, the shortfall will be clawed back by the ESFA after the final reconciliation in December. For the purpose of cashflow forecasting, it has been assumed that the £473k will be clawed back in January 20. Some ESF projects that ended in March 2019 have been subject to an audit and a provision will be included to recognise that.
3.9	Members asked when a re-forecast is due on staff utilisation and noted that this is normally reviewed in February.
3.10	The Chair, on behalf of the committee, commended the College for a very positive set of accounts
3.11	It was resolved to note the management accounts.
4.	ESTATES STRATEGY - progress update
4.1	The Deputy CEO updated the committee. The refurbishment project for Kingston Hall Road is at design stage (RIBA stage 2) and a recent meeting with planners was very positive. Subject to planning consent and completion of the sale of Drapers Court the plan is to commence the first phase of work May – June 2020.
4.2	The Committee discussed and noted that the Estates Sub-Committee will probably next need to meet during November 2019.
4.3	It was resolved to note the progress update.
5.	ESFA CHIEF EXECUTIVE LETTER TO COLLEGE CHAIRS OF GOVERNORS JULY 2019 AND AOC CHECKLIST FOR REVIEW
5.1	In July 2019 the ESFA CEO wrote to Chairs of College Corporations to draw attention to lessons learned from a 2016 investigation into Bourneville College. A series of misdemeanours at that College resulted in the replacement of its governing body and senior leadership in 2014-15 and subsequent merger with another college.
5.2	The letter listed 15 separate actions that ESFA requires or expects governing bodies, chairs or accounting officers to undertake. The AoC had summarised these into a checklist and the Head of Governance presented the completed checklist for review by the Committee
5.3	The Committee reviewed the completed checklist and were satisfied by the responses and their knowledge of College procedure that the College is compliant with all of the ESFA recommendations.

NEXT MEETING

The next meeting will take place on Thursday 21 November 2019 at 6:30pm at Merton College.

Subject to review and recommendation by the Search and Governance Committee Mr Ratnavel (who will move from the Audit Committee) will chair the next meeting of the committee.

The meeting closed at 8:20pm

Chair.....Date:.....

Action points	Responsible	Deadline	Signed off	
1.	Governors asked for more detail on the seniority of leaving staff and for themes from exit interviews.	DHR	Nov 2019	
2.	The Disciplinary and Grievance Procedures for SPHs will be reviewed by the Remuneration Committee next term.	HoG/ DHR	Nov 2019	
3.	The committee asked for a report on Equality , Diversity and Inclusion for the September meeting of this committee .	JMorrison	Report completed- deferred to next full meeting Nov 19	
4.	Detailed breakdown of swing in EBITDA to be included in July management accounts	DoF	Nov 2019	