



STRATEGIC FINANCE COMMITTEE

Minutes of the meeting of the Strategic Finance Committee held on Wednesday 11th October 2017 commencing at 8.30 am in Principal's Office, Easton Campus, Norfolk

Present

G Pilcher	GP	Independent Member and Committee Chair
S Coby	SC	Independent Member
M Pendlington	MP	Independent Member and Chair of the Corporation
J Townsend	JT	Acting Principal

In Attendance

C Nix	CN	Interim Vice Principal
R Robson	RR	Director of Governance
M Wilkinson	MW	Interim Vice Principal

Observer

Mike Snell		Undertaking Governance Review
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1. Welcome and Apologies for Absence

The Chair welcomed all present to the inaugural meeting of the Strategic Finance Committee. Apologies were received from Andy Daniels (AD).

The Chair was pleased that a finance committee had been re-established and confirmed the priorities for the 17/18, these are as set out in the finance section of the CRS.

The Chair confirmed that he would like the Committee to consider both finance and resource issues. Members discussed the need to include within the Committee's remit attracting new business and income. The need to not be distracted from the required financial focus was noted. The engagement of existing staff in developing new opportunities was considered as were the external approaches made in recent weeks. The Chair observed that it would be possible to invite anyone that the Committee considered to be appropriate to attend meetings. JT confirmed that the director level restructure was now underway, the timescales for this were received. The need to ensure the focus remained where required whilst ensuring that potential new lines of business need not disappear were discussed. Members noted that the College would need to have all required in place to ensure that the College was in a position to actively progress with new business and income streams in 18/19. The requirement to prioritise the needed increase in quality was noted.

[Action – RR to review the Committee TOR in light of the first meeting]

2. Declarations of Interest

GP – RNAA (land sale)

No other declarations were received in relation to items on this Agenda

3. Timing of Agenda and items of Urgent Business

The Agenda was accepted and no additional items were received.

4. CRS

GP observed that on this occasion the CRS would form the basis of the meeting, noting the need to provide scrutiny of the CRS and report back to Corporation accordingly. The agenda for future meetings would develop as items of business arise. It was **agreed** that scrutiny of Monthly Management Accounts should be a standing item on future agendas.

[Action – MW/RR – Monthly Management Accounts to be a standing item on SFC agendas]

GP suggested that MIS information may be required. It was agreed to invite Jono West (JWe) to the meetings on a when required basis. JT highlighted the key data that the Committee would need as being staff efficiencies, SSR and student numbers. The need to ensure that the information the Committee may require is provided in a timely and transparent manner was noted. GP asked that a timetable of essential business for the Committee be prepared.

[Action – MW to produce an annual timetable of essential committee business]

[Action – RR to add ESFA minutes to agendas]

MP asked if the CRS had been updated to ensure that all recommendations from the FEC report were included. JT confirmed that as the report had only just been received this work would now be undertaken and the next version of the CRS would encompass any necessary additions.

[Action – MW to update finance section of CRS to ensure all FEC report recommendations are included]

The Committee reviewed section 12 of the CRS in detail.

12.1.2 – GP observed that the target of £750k had reduced to £707k identified. He asked if this level of saving was sufficient, MW confirmed more was required. MW and JT noted that it was possible to achieve some savings at pace whereas others required consultations to be observed as contractual obligations were being varied.

12.1.4 – MW highlighted the need to raise the contribution rates across curriculum areas and the need to get this right, JT is following up on required external support for this process. FEC comments on 'mission drift' were

considered in light of the need to create an essential critical mass and to meet local demand.

12.1.3 – MW highlighted the need for additional savings in light of student numbers. There would be more certainty on this post census date. The impact of retention on funding was also noted.

[Action – MW (JWe) report on student numbers at census date]

12.1.6 – GP queried the position with capital spending. CN confirmed that spend not already in progress had been stopped.

GP confirmed that the Committee needed to have a clear idea of the land that will be subject to charge and that which will remain available. He enquired if all valuations had yet been paid for, CN advised that further valuation was required. Members considered the potential repayment of secured grant funding and noted the potential risk of this, the Committee requested that this be added to the CRS.

[Action – MW to add secured grant funding to the CRS]

[Action – RR to add land sale to future agendas as a standing item]

Members noted the need to progress the existing land sale through to completion. The proposed timing for release of funds if the transaction progressed as anticipated was noted. CN advised that the impact of the new mitigation land may lead to a small rise in the funds due to the College.

12.3 – GP sought confirmation on the satisfaction with HR and the progress of required savings. JT confirmed that following the appointment of AD in the summer he has been working at pace but that more support may be required. This will be considered by the Executive Team.

12.3.2 - Members considered potential areas (waste management, catering and pension contributions) where a potential increase in value for money could potentially be made.

12.3.3 – MW confirmed that review of contribution rates remained work in progress. GP asked how many curriculum areas currently achieved over 50%. MW advised this was around 1/3.

[Action – MW to bring a report on contribution rates for all curriculum areas to the next meeting]

GP asked if any courses had been removed, MW confirmed that Fisheries at Easton and Arboriculture at Otley year 2 level 3 had been taken out. GP asked that if all curriculum areas could achieve 50% would that end the College's financial difficulties, MW confirmed it would. JT stressed the impact of Curriculum Business Planning that would, due to the necessary lead time, show impact in 19/20.

12.4 – Members felt that the level of understanding of the transaction did not rest solely with CN and **agreed** that the risk could be removed.

Phase 2 savings – MW noted that savings would not be achieved in full in year and that there would be some slippage. GP asked how savings were verified and if curriculum efficiencies were being achieved, MW confirmed this would be staff leaving dates and referred the Committee to the paper taken to the Board in September by the Deputy Principal that had set out the details to date. MP asked if there was any challenge made to areas who said that they had achieved all the savings possible. JT confirmed that this was done by the Executive team and that there would be a further review after the directors restructure. MP queried whether savings in schools work were a false economy. JT confirmed that work with schools was continuing but that how that engagement happened was now more efficient.

Phase 3 – Members asked for a report on the income referenced at the next meeting.

[Action – JT to provide a report on the income highlighted in the Phase 3 savings schedule]

GP asked if this was FE or HE income. JT confirmed the figure in the report was FE, this was work to ensure that the College could retain some the funding received from the ESFA for this provision which is currently returned. She advised that work was in hand to grow HE, new courses were being developed for September 2018 start, conversations were underway with UEA to grow the HE numbers and a stakeholder dinner had been arranged to progress discussion and collaboration further.

5. **AOB**

GP asked that the Annual Accounts be brought to the Committee.

[Action – MW to bring Annual Accounts and Statements and the Regularity Audit to the next meeting of the Committee]

SC highlighted issues with Board IQ and raised a query about the contract the College had.

[Action – MW to check Board IQ contract]

[Action – RR to check Members' satisfaction with Board IQ]

6. **Date of next Meeting**

Wednesday 15th November at Easton at 8.30am

The meeting closed at 10.23am