



Minutes of the Strategic Finance Committee meeting held on Wednesday 17th January 2018 commencing at 8.35am Principals Office at the Easton Campus Norfolk

Present

S Coby	SC	Independent Member
M Pendlington	MP	Independent Member
G Pilcher	GP	Independent Member & Chair
J Townsend	JT	Acting Principal

In Attendance

P Thirkettle	PT	Independent Member
R Robson	RR	Director of Governance
M Wilkinson	MW	Interim Vice Principal/Director of Finance

1	<p><u>Welcome and Apologies for Absence</u></p> <p>Apologies were received from Chris Nix.</p>
2	<p><u>Declarations of Interest</u></p> <p>GP – in relation to RNAA</p> <p>No other declarations of interest were received for any items on the Agenda.</p>
3	<p><u>Minutes of the Previous Meeting</u></p> <p>The Minutes of the Meeting held on 15th November 2017 were reviewed and confirmed (subject to a typographic error on page 1) as a true and accurate record of the meeting for signature by the Chair</p>
4	<p><u>Actions and Matters Arising</u></p>
4.1	<p>11.10.17 Action 1 Review of the Committee TOR to be undertaken as part of overall governance review. Ongoing.</p> <p>11.10.17 Action 4 ESFA minutes on this agenda. Action agreed complete.</p> <p>15.11.17 Action 1 Details of leases of the Otley campus circulated to members</p>

and reviewed. The Committee agreed no further action necessary. Action **agreed** complete.

15.11.17 Action 2 Update on land sale received. Action **agreed** complete

4.2 It was noted that the IBR is expected by the end of the month.

5.1 **November Management Accounts**

These were received and noted by the Committee

5.2 **December Management Accounts**

MW confirmed no material changes to the last monthly accounts; on track to deliver the revised forecast.

GP noted the need to take out a further £1m cost prior to the start of 18/19. MW noted that the revised forecast, as agreed, removed that level of cost. Members sought confirmation that the College was in a position to deliver the required level of savings without a detrimental impact on quality. It was noted that Malcolm Cooper was currently working with the College on curriculum business planning for 18/19. JT confirmed that this process had identified significant over delivery. The Chair emphasised the need to ensure that a tight timetable was in place to enable the required level of savings to be achieved within the required timescale. The significance of need to reduce staff cost as a percentage of income to sector average levels was noted. The Committee also discussed the need for growth and diversification of income streams.

Issues around the College farm were discussed. JT updated the Committee on current issues with farm staff. MP confirmed that he and David Nunn had recently undertaken a visit to the farm at Easton; the need for farm accounts to go to the Board was emphasised.

[Action – farm accounts to be brought to the Committee and onto the full Board this term]

Members confirmed the need to progress the appointment of a Commercial Director.

Members reviewed in detail the contribution rates by course. The need for the minimum contribution to be 50% was agreed by the Committee. Members emphasised the need to ensure that swift action was taken to reduce cost and so improve contribution where recruitment fell below expected levels. The difficulty in accuracy of reporting between HR and Finance to date was noted, MW confirmed that this was improving.

Members considered the need to ensure that the College continued to deliver the courses that students and industry require; JT confirmed that discussions were underway for industry branded courses to be provided. Other curriculum changes were discussed, JT advised members of new courses being developed. The need to develop new apprenticeship standards was considered, JT updated on work

underway.

The ongoing discussions with the banks were considered. The outcome of the IBR still awaited. The likely impact on potential covenants was discussed.

The need to drive recruitment was discussed, JT confirmed that the review of the marketing strategy was underway and that would be presented to the Board at the March meeting. Members considered the impact on income of lagged funding for 18/19 and beyond. The need to market effectively for September 18 starts highlighted by members. The Committee asked for information to be shown in a stark clear manner so that all members of the Corporation could be clear on the impact of recruitment on the financial stability of the College moving forward. MW was asked to model different forecast scenarios for Corporation.

[Action – MW to provide Corporation with different forecast scenarios]

6 **CRS**

The Committee reviewed the Finance & Savings Sections of the CRS. The issues had been discussed under item 5.2.

MW was asked to ensure that the CRS encapsulated the requirements of the ESFA in addition to FEC and Ofsted.

[Action – MW to check CRS to ensure ESFA requirements included]

7 **Bank Review**

IBR report to come to the next meeting.

8 **ESFA**

Notes received from the ESFA of the telephone conference held on 13th December were received.

JT confirmed that a further meeting had taken place on 16th January; the ESFA remained supportive.

MP queried the problems around the application for Levy allocation and the impact on the funding to the College. JT confirmed that a paper was being sent to the ESFA to ask for the application to be reviewed. The need to ensure all future applications were thoroughly checked by SLT was agreed.

9 **Revised Finance Record**

MW advised that the College was being asked by the ESFA to resubmit the Finance Plan following the revised forecast and current bank position. The Committee **agreed** that the revised plan be signed by JT and resubmitted as requested to the ESFA.

10 **LGPS**

The Committee received the paper on the ongoing cost implication of LGPS and other potential alternatives available to the College. The need to review options was agreed. RR was asked to obtain further quotes for the work across the summer and to report further to the Committee at the start of 18/19

[Action – RR to obtain further quotes to review College LGPS and alternative options for presenting to the Committee in September 2018]

11 **Land Sale**

Members received an update by way of memorandum from Chris Nix (copy in the minute book). It was noted that the Section 106 amendment request is still being considered by South Norfolk District Council.

12 **AOB**

None

13 **Date of Next Meeting**

Confirmed as 7th February 2018.

The Chair closed the meeting at 10.45am