



Minutes of a meeting of the **F&GP Committee** held on 16 March 2020 at 1230hrs.

Present	Steven Blackshaw	Sally Townsend (Chair)	Kevin Watson (Principal)
In Attendance	Ralph Devereux (Clerk)	Adrian Cottrell (VP(F&R))	

23/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

- a. No notice had been received of any member becoming ineligible to hold office, the meeting was quorate and no interests were declared.
- b. Apologies were recorded for the unavoidably late circulation of the papers, the need for members to have enough time to digest the information was fully accepted and understood.

24/19 MINUTES OF AND ACTIONS FROM THE LAST MEETING

- a. The minutes of the last meetings held on:
 - (i) 09 October 2019 (Joint with AC);
 - (ii) 29 January 2020; and
 - (iii) 28 February 2020 (Special)were confirmed for electronic signature; the Clerk to action. **(Action 1)**
- b. Actions from these meetings had been completed or were in hand.
- c. There was no urgent business requested.

a. The information was received.

b. Actions had been identified. (Table 28/19 below)

25/19 FINANCE REPORT

Management Accounts. The December 2019 management accounts were considered and discussed; the comprehensive document comprised a comprehensive narrative informed by graphical and tabulated detail, including information on variances which was explained and considered. The operating deficit, before exceptional items stood at c£622k (Budget c£338k), after allowing for exceptional items the number was c£632k for the period; contributing items were explained individually:

- a. income was c£69k above budget however outturn indicated c£5k below; shortfalls in adult skills (Report S6) and alternative provision would be immediately and robustly addressed with both the Local Education Authority (LEA) and the Education and Skills Funding Agency (ESFA);
- b. high needs students' (Report S8) funding was considered and work towards identification of associated costs was in progress, the number of learners at the census point had been lower than expected and element 3 funding (additional funding charged to the LEA) would be sought from the LEA (c£200k) as soon as possible to assist the cashflow;
- c. pay costs overspent by c£70k would be recovered over the coming months;
- d. non-pay was also over budget by c£157k and, unless further savings were made that would be the case at outturn;

- e. it was necessary to bring the overspend back to budget and a savings plan to recover these issues , particularly non-pay (some lines essential only) was under development;
- f. The financial health was currently “Inadequate” (score 100) as the overdraft facility was being utilised and would remain so until May, the prediction thereafter was a return to “Requires Improvement (RI)”, covenants remained in scope and the Bank was relaxed about the position; and
- g. KPIs. The Financial Health and other KPIs were discussed and noted.
- h. The Cash Flow Forecast (CFF)(S19) was discussed with attention to March in both 2020 and 2021, the month was the sector wide low point because of the funding profile, followed in April with a high payment. The overdraft facility was currently being used. These issues were considered individually in the Risk Analysis at S21, which was noted. Departmental Budgets were generally being strictly observed however there was some evidence of unauthorised expenditure and the VP(F&R) would investigate as a matter of urgency; if true this was a serious matter and the Committee Chair would be informed (**Action 2**) It was also agreed to monitor more closely departmental spending patterns and, in a similar manner to the Standards Committee process, but without personal presentation, each department(s) would be scrutinised at Committee meetings.(**Action 3**)
- i. Integrated Financial Model for Colleges (IFMC) Commentary. The IFMC (2019-2022) had been approved for submission (under Chairs action) at the last meeting; the IFMC had been supplemented by the narrative, which had been delayed (through ESF.A action) and was now scrutinised. The justifiably upbeat and comprehensive commentary explained how progress had been made and acknowledged by external agencies and indicated progression to a Financial Health of “Good”, moving to “Outstanding” in 2021. The caveat that enrolments were always unsure in relation to prediction was accepted, but early signs for the coming year were positive. The detail was all in line with the estimates provided for the FE Commissioner (FEC). The numbers included provision for the 3% pay increase. The plan was absolutely in line with strategies and all assumptions were fully explained. Discussions moved on to the possibility of additional funding through grants in a similar way that the SCIF allocation in the previous year; there was a “College Corporation Grant” available, for which B6 was eligible (as Requires Improvement (RI)) if a “Good or Outstanding” partner could be found. The narrative was recommended to the Corporation. (**Action 4**)

a. The information was received.

b. Actions had been identified. (Table 28/19 below)

26/19 URGENT BUSINESS

There had been no requests for urgent business.

27/19 DATE OF NEXT MEETING

The next meetings would be at 1300 on 22 April and 3 June 2020; papers requested by 15 April & 27 May respectively.

28/19 ACTION REGISTER

See referenced minute for full detail.		Resp	Date
Action 1	24/19. Last minutes (09.10.19, 29.01.20 & 28.02.20) confirmed for signature.	Clerk	wie
Action 2	25/19h. Departmental spending profiles to be checked.	VPFR	
Action 3	25/19h. Departmental spending profiles to Committee meetings.		22.04.20
Action 4	25/19i. Narrative (& Plan) recommended to the Corporation.	Chair	26.03.20






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Final Audit Report

2020-04-23

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