

DRAFT

NEW COLLEGE, SWINDON

Minutes of a meeting of the Finance and General Purposes committee
Held on Tuesday 8th May 2018

Present: Jim Webster (Chair), John Dernie, Les Durrant, Graham Taylor

With: Dennis Bridges, Richard Harris, Tracy Scaife

1453 Apologies for absence – received from Mark Owen

1454 Disclosures of Interests – none received.

1455 Minutes of the last meeting held on 30th January 2018 – agreed as a correct record.

1456 Matters arising from the minutes of the last meeting held on 30th January 2018 – raised as follows:

(a) 1433 External Audit Management Letter – noted that the review of deferred capital grants has been completed and the correct procedures will be followed for 2018-19.

(b) 1448 Treasury Management Policy – the Director of Finance and Partnerships advised that he has had initial meetings with Barclays and Nationwide with regard to cash investment. Concerns raised previously were regarding the amount of funds with one provider. Currently it is purely cash investment to be considered. The Director of Finance and Partnerships advised that he would make further enquiries and report back to the committee.

ACTION: RH to make further enquiries re. cash investment and report back to the next meeting of the committee.

1457 Risk Management update – report by Director of Finance and Partnerships received and noted.

There is a considerable risk with regard to apprenticeships and the significant loss of income. This is a risk faced by the majority of colleges as the sector and employers struggle with the new policy and funding rules.

Changes in funding methodology and policy are a further risk. Adult learner loans have not been fully utilised and unfortunately, the college has been unable to take advantage of its total allocation. The report from Pearson with regard to the quality of a sub-contracted provision is expected imminently. This relates to work with a single partner who the college terminated contracts with 12 months ago. While the report is expected to be quite critical of that particular partner it is no indicative of provision at the college.

The meeting noted the introduction of the insolvency regime for colleges and the implications for colleges and individual governors. The risk to the college at the current time is considered to be low.

1458 Management Accounts – period 8 – report by Director of Finance and Partnerships received and noted.

The forecast year-end trading surplus figure was noted. The figure is below target but it is hoped to improve on this by the end of the year. A year-end trading surplus of £300k+ will mean that the college will maintain its 'outstanding' rating. Three Adult Education Budget (AEB) bids have been submitted, one in the sum of £794k was successful, one unsuccessful and a third in the sum of £242k was submitted last week. The college is forecast to overtrade by £243k. The college also received £273k in respect of last year's overtrade. The college needs to encourage greater take-up of Advanced Learner Loans (ALL) and apprenticeships.

It is still expected that the pay budget will end the year with an overspend but the amount has decreased over the year. Pay is the biggest cost to the college and has been under great scrutiny this year.

Non-pay is also forecasted to end the year with an over-spend. In-roads need to be made into the smaller budgets within non-pay.

Aged debt has reduced slightly and there is likely to be a further reduction due to recent staff changes. There are currently 37 accounts with a collection agency (amounting to £36k).

With regard to onward forecasting, cash year-on-year is shown to be decreasing but there are some doubts about the accuracy of that information. In broad terms it is expected to generate a significant cash amount each year.

1459 Debt Collection Process – report by Director of Finance and Partnerships received and noted.

The meeting noted that there have been some changes to the structure within the Finance Team and it is expected that these will lead to an increase in the recovery of debt. More analysis will be included in the next management accounts report.

It was noted that approval is being sought for the write-off of two individual debts. The first is in the sum of £1450, relating to Access fees from May 2015. The debt has been placed with a collection agency but has not been recoverable. The second is in the sum of £1100, again relating to Access fees from November 2016 and has been pursued but not put with a collection agency as the student concerned is a higher needs student and therefore a vulnerable person.

RESOLUTION: that the following debts be written off:

- (i) £1500 access fees from May 2015
- (ii) £1100 access fees from November 2016

ACTION: RH to action write-off of the 2 debts detailed above.

1460 Date of next meeting – Tuesday 19th June 2018 at 1600

1461 Any other business – none.

1462 Budget – confidential minutes refer.

1463 Capital expenditure budget – confidential minutes refer.