

Wednesday 22nd January 2020, 5.30pm

MINUTES

PRESENT:

Mr M Belfour, Foundation Governor, Chair
Mr C Garvey, Foundation Governor
Mrs K Taylor, Foundation Governor – via loud-speaking audio tele-link
Mrs S Flannery, Principal
Mr J Opara, Foundation Governor (5.40pm), Vice Chair

IN ATTENDANCE:

Mrs M Searle, Head of Finance
Mrs S Plumb, Senior Business Manager
Mr C Graham, Associate Principal – observing
Mrs E Lewis, Clerk to the Governors

The meeting was opened at 5.30pm by Mr Belfour and was quorate throughout

1. **Opening Prayer:** Offered by Mrs Flannery using a prayer of Saint Oscar Romero.
2. **Apologies:** not applicable
3. **Declarations of Interest:** there were none
4. **Minutes: Meeting held on 19th November 2019:** previously circulated and reported to the full Governing Body (5th December 2019) and included in the papers for this meeting, were agreed to be a true and accurate record and duly signed by Mr Belfour.
5. **Action Points from previous meeting:**
 - 5.1. **Small Projects Bid outline document (Digital Technologies block build):** The outline specification had been included in the papers for the meeting. The project total was £590k of which £295k had been requested as match funding. Mrs Plumb confirmed that applications were currently being assessed and the outcome was expected by the end of March 2020 although no definitive date had been advised.
Mrs Plumb confirmed that a “Fire and Safety Essential Compliance Works” bid for £153k had been submitted to the CIF¹ towards works with an estimated cost of £163k. A costed breakdown of the elements of the work had been included in the papers. The outcome of the bid was expected to be announced during March 2020. Mrs Plumb advised that provision would be made in the budget for summer works to carry out the essential priorities if the bid was not successful.
 - 5.2. **Building Conditions survey:** The Condition Appraisal compiled by Drake & Kannemeyer LLP (Chartered Surveyors) dated 29.10.2019 had been provided in the papers.
 - 5.3. **ESFA Finance Dashboard October 2019 to be included in the papers for the full Governing Body meeting:** Mrs Lewis confirmed that this had been provided to all governors in the papers for the meeting held on 5th December 2019.

¹ Condition Improvement Fund 2020 to 2021

6. Matters Arising other than agenda items:

6.1. **Treasury Management:** Mrs Searle advised the committee that an investment of £389k on fixed term investment with the Allied Irish Bank (AIB) had reached maturity on 15th January 2020 and was currently being reinvested daily with the AIB. Mrs Searle reported the current rates of interest available and reviewed the options and requirements to bridge a gap in March when the funding profile dips. Following discussion, it was unanimously agreed that the deposit should be reinvested for three month fixed term. The treasury management portfolio would be reviewed as a standing item at the next meeting of the committee on 25th February 2020.

7. ESFA INTEGRATED FINANCIAL MODEL for COLLEGES (IFMC): Mrs Searle, Mrs Plumb, Mrs Flannery.

It had been agreed at the meeting of the full Governing Body held on 5th December 2019 that the F&R Committee should undertake the detailed scrutiny of the IFMC. Once a model was finalised it would be circulated by email to the full Governing Body supported by a commentary outlining the assumptions and financial strategy of the plan. It was understood by the committee that the current version of the template included in the papers for this meeting was not final and not ready for approval. The Committee would, in due course, recommend the IFMC for approval via written resolution prior to filing with the ESFA to meet the deadline of 28th February 2020.

Mr Belfourd recapped the background to the introduction of the IFMC which he explained had switched the financial forecasting methodology from a simple spreadsheet submitted in July each year to a complex financial model to be filed in February this year and in January from 2021. He explained that the approved financial plan / forecast filed with the ESFA in July 2019 had been updated in November 2019 in response to under-recruitment of students (a key assumption). He recounted that the ESFA had conducted an “early intervention” visit to the college on 5th December 2019 triggered by the financial health category falling in the plan to Requires Improvement (RI) for this current year. The ESFA had been satisfied with governors’ scrutiny of the college finances. Query about management accounts not being in their format but no further enquiry about that. Minutes had been circulated and, although nothing further had been heard, a follow up meeting was expected in March 2020.

Mr Belfourd described how different, prescriptive and complex the IFMC was. Mrs Searle explained that version 5 had been issued the day before. Mrs Flannery commented that suggestions were that this would not be the final iteration and potential further revisions could lead to a version 6 or 7. ESFA staff would offer help uprating / re-inputting data. Mrs Searle described some of the technical difficulties the model presented including replicating the agreed financial plan in the template. Both Mr Belfourd and Mrs Searle were participating in the ESFA Webinars and consulting relevant briefings and circulars to keep abreast of the advice on completion of the data required.

Mrs Searle confirmed that the College Finance record had been submitted in December.

Commentary on the Integrated Finance Template 2018/19 – 2022/23: The commentary had been compiled by Mr Andy Taylor, external consultant and Mrs Searle, in consultation with Mrs Flannery, and had been included in the papers for the meeting. The commentary incorporated *Annex A: Financial planning checklist*² and, as Annex B, a “Funding / Financial Projections (for Finance & Resources Committee 22/1/20)” paper which updated figures given to the committee at its meeting on 19th November 2019.

All governors had received the Monthly Commentary and Accounts with cashflow for

² From the financial planning handbook

December 2019 earlier in the day.

Mr Belfour examined the commentary page by page with comment and clarification from Mrs Searle and Mrs Flannery. Amendments were agreed to the narrative and to annex B which Mrs Searle would action in a re-issue.

The checklist at appendix A would be replaced with the edition in version 2 of the 2019 financial planning handbook to include confirmation of bursary funding which was discussed and noted to have been reported in the financial record and financial statements.

Mr Belfour asked Mrs Flannery to confirm the statement of key assumptions in the plan which she did with contextual commentary and statistics to demonstrate that they were realistic. It was noted that the downsizing of staff would continue in the current year with a programme of another 4 – 6 FTE in redundancies. Mr Opara commented that this would be tough on the staff and Mrs Flannery agreed, adding it would also be challenging to quality.

Mrs Searle advised that reforecasting would be necessary once the income figures had been confirmed. Mr Belfour acknowledged that the income would not be definite before the IFMC was filed. **He confirmed for the committee that the financial strategy; financial health status and key assumptions presented in the commentary discussed at this meeting would be the plan / forecast entered onto the eventual final formatted version of the IFMC template. This was unanimously agreed.**

The final version would be circulated to the committee prior to the next meeting on 25th February 2020 for agreement and then recommended to the full Governing Body for approval by written resolution via email in time to meet the filing deadline of 28th February 2020.

Mr Belfour expressed his thanks to Mrs Searle and the senior team for their hard work and perseverance.

ACTION: Mrs Lewis to draft an update³ for all members of the full Governing Body to be emailed following this meeting to keep them informed on progress towards seeking their approval of the IFMC for 2018/19 – 2022/23.

8. **Risk Management:** Governors had not identified any new risks or modifications to the existing risks on the register and supporting action plan to mitigate them.
9. **Any other business:** Ms Rachel Clark, Staff Governor (teaching) would join the committee from the next meeting.
10. **Date of next meeting:** Tuesday 25th February 2020

The meeting closed at 6.25pm.

SIGNED: _____

DATE: _____

Distribution:

Mr M Belfour	Mr J Opara	Mrs S Flannery	Mr C Garvey	Mrs K Taylor
Clerk	Mrs M Searle	Mrs S Plumb	Mr C Graham	

³ Agreed with Mr Belfour and emailed to all governors on 30th January 2020.