

Priestley College

Minutes of the Finance and General Purposes Committee meeting
held at 4.30pm on Monday, 23 February 2015 in the Conference Room (P1.16).

PRESENT: Mr A Cannell Chair
Mr T Date
Mr R Haslam
Mr G Hill

Mr P McMellon Clerk

ALSO IN ATTENDANCE:

Mrs J McCann Vice Principal (Resources)
Mr D McGuire Director of Finance

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr M W Grant and Mr M D Salmon.

2. DECLARATION OF INTEREST

Mr T Date declared that he had a personal interest in all/any matters which involved the College's dealings with Warrington Borough Council.

3. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 3 December 2014 were accepted as an accurate record and signed by the Chair.

4. MATTERS ARISING

There were no matters arising.

5. FINANCE REPORTS – PERIOD 4 – 5 (2014/15)

Mr D McGuire presented the Monthly Report for Period 5 (December 2014). Committee members had already received the Monthly Reports for Period 4 (November 2014).

He explained that the adverse variances were attributable to the actual timing of income/expenditure (c/w the estimates) rather than to any other factor. The concurrent budget review process had served to confirm that there were no underlying issues in the management of the current year's budget. He also updated the Committee on the water leakage (which had resulted in higher than budgeted expenditure) and the solution to that matter.

Mr McGuire then distributed the Monthly Report for Period 6, confirming that this would shortly be distributed to all Governors at the forthcoming Governing Body meeting. He pointed out that Period 6 (January 2015) already reflected the mid-year budget review proposals (see Item 6 below). The in-year income variances were noted and, in particular, the consequences of the late notification (by the SFA) of additional funding for spending in the current academic year. The Chair questioned the feasibility of identifying/attracting additional students (under the College's adult provision) at this juncture. College Management described the strategies and contingencies which would be deployed, but it was agreed that the system and timing was frustrating.

Mr McGuire then confirmed that, with a considerably higher surplus - income over expenditure before Contingency- now standing at £262,000 (c/w £72,000 in original budget), the financial health of the College at year end could be close to 'Outstanding' again.

RESOLVED : That the Monthly Financial Reports for Periods 4 - 5 (2014/15) are accepted.

6. MID-YEAR BUDGET REVIEW

Mr D McGuire (Director of Finance) presented the Mid-Year review of the original 2014/15 budget, as considered and recommended by the Senior Management Team. He provided an amended section to reflect the omitted expenditure on Free School Meals and confirmed that, as already discussed (under Item 5 above) a year-end surplus of £227,000 (assuming all Contingency used and after depreciation but before FRS17) would be the revised estimate.

Mr McGuire provided explanations for each of the listed changes (increases/decreases, income and expenditure).

The Committee discussed at length the complexities of arrangements for obtaining High ALS Students income, and the inevitable uncertainties inherent in a system which depended upon the co-operation of multiple local authorities. It was, however, pointed out that the system between the College and Warrington Borough Council worked very efficiently.

The Chair urged College Management to maintain the cost reduction mind-set amongst all staff and to show appreciation where savings are achieved.

The Chair invited Mr McGuire to indicate where he considered there to be the greatest risks to the achievement of the revised year-end result. Mr McGuire and Mrs J McCann (Vice Principal – Resources) described the teaching staff absence costs and challenges, but remained confident that these would continue to be managed within estimates.

Finally, Mrs McCann advised that it was unlikely that the full Contingency budget would be spent (other than on a planned basis).

RESOLVED : That the Governing Body is recommended to approve the Mid-Year Review of the 2014/15 budget.

7. BUDGET PLANNING TIMETABLE

The Committee examined the proposed Timetable which had been distributed with the agenda. In accepting the Timetable, it was noted that, as in previous years, the College's success in adhering to specified dates depended to a significant extent upon the timeliness of the receipt of key financial information from the funding agencies.

RESOLVED : That the Budget Planning Timetable is approved.

8. CAMPUS DEVELOPMENT – BCIF 4 UPDATE

Mr D McGuire (Director of Finance) presented an updating report on the BCIF 4 project expenditure/budget. He provided further updates on the most recent expenditure (last 4 weeks).

Mrs J McCann (Vice Principal – Resources) provided more detail on the transfer of grant elements (between Science Laboratory and building project) and confirmed that such virement was consistent with the terms of the grant. She then confirmed that completion of the works (and BCIF grant expenditure) would be achieved by 31 March 2015. Anticipated expenditure on furnishings and fittings was discussed.

The current Risk Register (as prepared for and submitted to the EFA) was examined and accepted, and the latest progress report produced by the Managing Agent (AA Projects) was examined.

The Chair asked about likely use of the funding (£150,000 maximum) which the College had earmarked for the project. Mrs McCann advised that it now seemed unlikely that more a modest proportion (perhaps around £20,000) would be used.

Regarding the contractor, Mrs McCann confirmed that the performance of the company (Link Contracting Services) had been very acceptable.

9. FINANCIAL REGULATIONS (& TENDERS) – ANNUAL REVIEW

Mr D McGuire (Director of Finance) confirmed that the recommendation for ‘no changes’ followed the usual systematic review of the document and its application during the previous year.

Mr R Haslam drew attention to possible ambiguities in section 9.3 and it was agreed that this should be reworded.

Mr T Date alerted the Committee to impending EU Regulation changes and it was agreed that College Management would monitor and respond as appropriate to such developments.

RESOLVED : That, subject to the rewording of Section 9.3, continued use of the current Financial Regulations & Tendering Procedures is approved.

10. FIXED ASSETS POLICY – ANNUAL REVIEW

Mr D McGuire confirmed that no changes were proposed to the current version of the Policy.

RESOLVED : That continuation with the current version of the Fixed Assets Policy is approved.

11. TREASURY MANAGEMENT POLICY – ANNUAL REVIEW

Mr D McGuire confirmed that no changes were proposed to the current version of the Policy.

RESOLVED : That continuation with the current version of the Treasury Management Policy is approved.

12. VALUE FOR MONEY POLICY – REVIEW

Mr D McGuire presented the significantly redrafted version of the Policy distributed with the meeting papers for the Committee’s consideration. He advised that, although the wording had been considerably changed, the essence of the new version remained consistent with the previous one.

The Chair drew attention to minor drafting corrections which were called for. He also asked about application of the Policy and the extent to which the work of, for example, the Internal Audit service contributed to VfM endeavours. It was also noted that activities undertaken under the Five Colleges Consortium (eg expenditure benchmarking) opened avenues for VfM exploitation. It was agreed that a further report on practical applications would be presented to the Committee in due course.

RESOLVED : That, subject to the minor corrections identified, the revised version of the Value for Money Policy is approved.

It was agreed that, in light of the nature of the changes, there was no need to refer to the Governing Body for endorsement.

13. DATE OF NEXT MEETING

It was agreed that the next meeting will be at 4.30pm on Wednesday, 6 May 2015

PMcMellon
23 February 2015

Accepted as a true record and signed by the Chair

Signature

Date