



Finance & Operations Committee

Monday 28th November 2016

Minutes

Present:

Governors:

Delia Goldring
Peter Green
Fenton Higgins
Peter Murphy
Ian Phillips
John Rubinstein

In Attendance:

Ian Hooper
Carol Kirkland
Beth Yap

1.	Governance
2.	Minutes of the Previous Meeting
3.	Matters Arising
4.	Financial Report
5.	Personnel Report
6.	Premises Report
7.	Marketing Report
8.	Risk Management
9.	AOB
10.	Dates of Next Meetings

<i>Minute</i>	<i>Decision or Recommendation</i>	<i>D/R</i>
4.1	<i>To recommend the management accounts for the first three months of the year to the Board for approval.</i>	<i>R</i>
4.3	<i>To form a new company for the purpose of carrying out any trading activities that will include property lets, 3G lets, provision of services, merchandising and activities that would require VAT to be charged.</i>	<i>D</i>
4.4	<i>To request a review of pension liability by the actuaries at a cost of £750.</i>	<i>D</i>
6.2	<i>To recommend to the Board that a bid is submitted to CIF to replace the panel and cabling to the main building at a cost of £50k, 50% of which will be supplied by the College.</i>	<i>R</i>
6.4	<i>To submit a bid to Wolfson for £140k, 50% of which would be provided by the College, for the creation of an additional lab and classroom in the millennium building.</i>	<i>D</i>

1. Governance

1.1 Apologies for Absence

None.

1.2 Declaration of Interest

None.

2. Minutes of the Previous Meeting

2.1 The minutes of the meeting of 26th September 2016 were approved with minor amendments and would be signed by the Chair.

BY to ensure minutes are signed.

2.2 As minutes 5.0 and 6.2 were deemed to be confidential, these would be

BY to upload to web

removed prior to being uploaded to the College website.

3. Matters Arising

4.2 The Principal informed the Committee that the College has met with several institutions with a view to becoming the College's next payroll provider. In addition to this, SLT is also looking into software that will allow the College to manage payroll in-house. The Committee was reminded that the College has issued notice to Capita.

4.1 The Committee was informed that the auditors were satisfied with the treatment of the Football Foundation Grant and the writing-off of the old sand-based pitch in last year's accounts.

4. Finance Report

4.1 Management Accounts 2016-17

In the absence of Funmi Esoula, John Rubinstein presented the management accounts for the first three months of the financial year.

John informed the Committee that the projected outturn is a deficit of £43k. This is due to reductions in the deferred grant (£22k) and the free school meals fund (£10k). In addition to this, there has been a £10k reduction in income due to a significant drop in the number of students making the £100 voluntary contribution.

The Committee noted that there have also been some increased costs, which include £7k for a marketing feasibility study and a rise in insurance premiums of £3k. John assured the Committee that SLT is continuing to challenge staff on expenditure within the College.

In response to a question from governors, John explained that the College's financial health continues to be outstanding and EBITDA remains positive against Capex.

Carol Kirkland informed the Committee that the treasury policy of the College should be reviewed on an annual basis. Carol went on to explain that the interest currently being earned on the College's account is 0.1%. The Committee requested that Carol and Funmi bring a proposal to the Committee's March meeting.

BY to add to next agenda.

Given the announcement at the recent autumn statement, the Committee discussed the apprentice costs and agreed that the College should review the figure of £1,500 to check that it is realistic.

JR/FE to review apprentice costs.

The Committee agreed to recommend the management accounts for the first three months to the Board for approval.

4.2 3G Pitch

Carol Kirkland informed the Committee that the 3G pitch sinking fund would be moved into a separate bank account as advised by the Football Foundation. The Committee noted that this fund would not take into account inflation but this can be added in on an annual basis. Governors

requested that the terms of this fund are made clear to future governing bodies, the account is renamed the '3G sinking fund' and is shown as a separate line on the balance sheet.

Bank account to be renamed.

4.3 Trading Subsidiary

At the recommendation of the Audit Committee, governors discussed the creation of a separate trading subsidiary as the College is now at the threshold for both corporation tax and VAT. The Principal explained that he is due to meet with St Francis Xavier Sixth Form College as it has already set up a trading subsidiary.

In response to a question from governors, Carol Kirkland explained that this might affect the College's competitive position if prices were increased to account for VAT. However, the Committee agreed that the College would not increase prices mid-year. Therefore, it was agreed to form a new company for the purpose of carrying out any trading activities that will include property lets, 3G lets, provision of services, merchandising and activities that would require VAT to be charged.

Trading subsidiary to be formed.

4.4 Pension Liability

The Committee discussed the College's pension liability noting that it has increased from £1.678m to £2.481m in the last year. Carol Kirkland informed the Committee that this could be due to the new actuaries being used by Barnet. After some discussion the Committee agreed that the financial statements for 2015-16 should be signed off as normal, with a view to making a prior-year adjustment if needed. The Committee also agreed that the College should request a review of its liability figure by the actuaries at a cost of £750.

To challenge the pension liability figures.

5. Personnel Report

Ian Hooper updated the Committee on the personnel report, explaining that the College has recruited an apprentice for the IT department. In addition to this, one of the ex-Curriculum Quality Managers has now been appointed Head of Staff Development.

The Committee noted that staff have now been informed of Woodhouse Plus, which will come into place next year, and this has been well received by staff. In response to a question from governors, Ian confirmed that there is nothing to indicate that this would cause an increase in working hours or have any cost implications.

The pay award for teachers has now been agreed at 1%. The Principal will confirm whether this is effective from January 2017 or if it will be backdated from September 2016.

JR to confirm date of pay award.

6. Premises Report

6.1 Confidential Item
Confidential Item.

6.2 Power Usage

Carol informed the Committee that an electrical engineer has been working in the College to investigate the recent power outage. He has obtained all necessary data and will prepare a report within the next week or so.

CK to circulate report to Committee.

The College is now considering a number of short and long-term options, which include replacing the panel and cabling that supply power to the main building (around £40k) and increasing supply to the main building (around £250k - £333k). The College is considering submitting a bid to the CIF for one of the long-term solutions.

In addition to this, the College is also looking at ways to reduce its usage, such as installing LED lights and LED projectors.

The Committee agreed to recommend to the Board that a bid is submitted to CIF to replace the panel and cabling to the main building at a cost of £50k, 50% of which will be supplied by the College.

6.3 Reception Project Review

The Committee discussed the reception project and thanked the staff and premises working party for their hard work. Clive Hazlehurst has made a number of recommendations regarding project protocol and these will be circulated to the Committee.

CH to circulate recommendations to committee.

6.4 Other Premises Updates

The Committee reviewed the campus development plan, noting particularly that the College is looking to upgrade its phone system at a cost of around £15k. The Committee requested that 'payback' is added to the Campus development plan where possible.

CK to add payback to CDP.

The Committee discussed the premises investment proposal to submit a Wolfson bid for the creation of an additional lab and classroom in the millennium building. This would mean the relocation of a learning zone to the Hockman building. The quotes obtained by the College estimate this work to cost around £140k, 50% of which would be supplied by the College if the bid was successful. Therefore the Committee agreed to submit this bid to Wolfson and, if unsuccessful, the College would consider whether to fully fund this project.

IP/CK to contact Sudbury to discuss Wolfson.

7. Marketing the College

Peter Murphy informed the Committee that he is currently analysing feedback from the College's open day, explaining that the numbers were slightly down compared to last year but this may be due to the weather. There seems to be some misapprehensions about the College, such as large class sizes, which are being addressed by a social media campaign. The College is also running a series of mini open days and tours by the Principal.

The Committee agreed that the College should consider a rebranding exercise, which would include a new logo. The Committee requested that this is discussed at the next meeting.

PM to look into rebranding for next meeting.

8. Risk Management

The Committee reviewed the risks for which it had responsibility and was satisfied with the explanations given. In particular, the Committee noted that there are some concerns amongst staff regarding potential redundancies. In response to a question from governors, John explained that staff were pleased about the new partnership with the Archer Academy.

9. AOB

Carol Kirkland informed the Committee that OfficeTest have conducted a fire safety audit and a list of recommendations was issued with a deadline of one month. Carol confirmed that she queried this with OfficeTest and there are now 4 actions deemed high priority, which are in hand.

As the Committee has discussed and approved the CIF bid it was agreed that the meeting on the 16th January 2017 was no longer required.

10. Dates of Next Meetings

12 th December 2016	BOARD
9 th January 2017	Annual Strategy & Training Event
6 th March 2017	Finance & Operations Committee
20 th March 2017	BOARD
24 th April 2017	Finance & Operations Committee*
26 th June 2017	Finance & Operations Committee
10 th July 2017	BOARD

The meeting concluded at 8:42pm