

Meeting of the Finance & Resources Committee

Venue: Conference Room 1, South Shields Centre

Date: Tuesday 21 November 2017

Time: 4.00pm – 6.45pm

Present: Colin Seccombe (in the Chair)
George Clark
Malcolm Grady
Andy Walton

Apologies: Andrew Watts
Lindsey Whiterod

In Attendance: Neil Longstaff (Director of Governance)
Helen Beaton (Deputy Chief Executive)

ITEM	ISSUES	ACTION
1.	<p>Apologies for Absences</p> <p>The Committee approved apologies for absence received from those identified above after having considered the reasons for their absence.</p>	
2.	<p>Declarations of Interest</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
3.	<p>Minutes of the previous meeting</p> <p>The minutes of the meeting held on 12 October 2017 were approved and signed by the Chair.</p> <p>Matters Arising</p> <p><u>3.1 Management Accounts to 31 July 2017 and commentary</u></p> <p>It was noted that the management account had been presented to the Board and HB had provided clarification on the issues raised at the meeting.</p> <p><u>3.2 Revised Financial Regulations</u></p> <p>The revised Financial Regulations had been approved by the Board, which included the references to Deputy Chief Executive being changed to Chief Operating Officer.</p> <p><u>3.3 Estates Report (TMC Building Project)</u></p> <p>Faithful and Gould had been appointed as Project Manager and Norr as Architects. Governors were informed that a decision to appoint the Architects and approval of</p>	

	<p>the indicative professional fees (£175k) was taken under Chairs Urgent Action owing to the tight timescales involved.</p> <p>HB expected planning permission to be made by December.</p> <p>Q. Permission for tender? If costs were excessive, HB was to report back to Committee for consideration.</p> <p>Q. Discussion with banks held? Initial discussions had taken place with Lloyds and Barclays and a meeting with Handlesbanken had been arranged.</p> <p>Resolved: That the update on the TMC Building Project is received and that the Chair’s Actions are endorsed.</p> <p><u>3.4 Annual review of the Public Benefit Statement</u></p> <p>The Director of Governance tabled an updated Public Benefit Statement, which included examples of where the College had added value.</p> <p>Resolved: That the Public Benefit Statement, as presented, is approved.</p> <p><u>3.5 HR Report</u></p> <p>Confidential</p> <p><u>3.6 Learner recruitment and funding update 2017-18</u></p> <p>Confidential</p> <p><u>3.7 Approval of Contracts and Planned Expenditure in Excess of £125k</u></p> <p>Confidential</p>	
<p>4.</p>	<p>Annual Report and Financial Statements for the Year Ended 31 July 2017</p> <p>Confidential item</p>	
<p>5.</p>	<p>Reconciliation between Management Accounts and Statutory Accounts Year Ended 31 July 2017</p> <p>The purpose of the report was to provide governors with information on the adjustments made between the preparation of the July Management Accounts and the Statutory Accounts.</p> <p><u>South Tyneside College</u> The paper showed the year-end figures in the management accounts format used during 2016/17.</p> <p>This report highlighted that the year-end position had moved from a £199k surplus per the management accounts to a £7,590k deficit in the statutory accounts, a movement of £7,789k. It was noted that £7,760k of this movement was due to the final settlement figure on the Tyne Metropolitan College Local Government Pension Scheme (LGPS) and £29k of this movement was due to operational changes, which had been identified since the publication of the year-end management</p>	

	<p>accounts.</p> <p>This figure of £7,590k in the management accounts format was after the release for the revaluation reserve, which under the FRS102 Financial Reporting Standard format for the statutory accounts was released within the Statement in changes in reserves.</p> <p>The reconciling figure to note in this report when compared to the statutory accounts was therefore the post severance deficit balance of (£7,762k), which reconciled to the deficit before tax figure on the consolidated statements of comprehensive income.</p> <p>HB referred to an agreement reached between the Principal of SSMS and a shipping company over discounted rates but which had not been shared with the Finance Team. This agreement was made three years ago but with no expiry date therefore the company concerned had now sought to seek the discount and appropriate adjustments had been shown in the accounts (£100k).</p> <p><u>TyneMet College</u></p> <p>HB reported that using TyneMet’s Management Accounts format and following on from the points above, TyneMet’s operating deficit of (£670k) had now moved to an operating surplus of £6,718k. This was ultimately due to the settlement figure relating to the Local Government Pension Scheme (LGPS).</p> <p>Changes that had occurred since the production of the year-end management accounts were reported.</p> <p>Governors felt this was a very informative document.</p> <p>Resolved: That the members of the committee accept the report.</p>	
<p>6.</p>	<p>Management Accounts to 31 October 2017 and commentary</p> <p>Confidential</p>	
<p>7.</p>	<p>Tyne Coast College Financial Plan 2017 to 2019</p> <p>Governors considered a letter received from the Education and Skills Funding Agency (ESFA), which commented upon the Colleges financial plan.</p> <p>The appropriate assessment grade given, based on the College’s financial plan, was:-</p> <ul style="list-style-type: none"> • Good for 2016/17 (the latest outturn forecast year), and • Good for 2017/18 (the current budget year). <p>The ESFA concluded that the underlying grade for the College was Good.</p> <p>Consideration was also given to the financial dashboard, which incorporated various key performance indicators and measured those against both target benchmarks and benchmarks achieved in the sector.</p> <p>Governors were pleased with the College’s positive performance.</p> <p>Resolved: That the report is received and content acknowledged.</p>	

8.	<p>Learner Recruitment and Funding Update 2017-18</p> <p>Confidential item.</p>	
9.	<p>Student Union Accounts 2016-17</p> <p>This report provided governors with details of the Student Union accounts results for 2016/17 and an overview of activity in the year.</p> <p>It was noted that net expenditure was £4,375, which was within the budget of £20,000. Governors queried as to whether the budget was set too high.</p> <p>The activity of the student union and spend throughout the year was discussed. It was noted that TyneMet College did not previously have an affiliated union but the new constitution would now cover across all sites of the College.</p> <p>Financial penalties for students not attending meetings of the Board, its committees or the Union's Executive Committee, when required, were outlined.</p> <p>Resolved: That governors note the contents of the report and that the information is to be presented to the Board for information.</p>	
10.	<p>Annual Report on Governor Expenses</p> <p>This paper provided the Committee with an update on the level of expenses claimed by governors during 2016/17.</p> <p>Governors were encouraged to claim expenses for carrying out their duties.</p> <p>Resolved: That the committee agrees to receive the report.</p>	
11.	<p>Approval of Contracts and Planned Expenditure in Excess of £125k</p> <p>Confidential item.</p>	
12.	<p>Review of College Company</p> <p>The Director of Governance informed governors that the College Company been dissolved and removed from Companies House.</p> <p>As part of the voluntary removal process from the list of companies at Companies' House there had been an initial objection from HMRC but this was subsequently withdrawn.</p> <p>Resolved: That the information is noted.</p>	
13.	<p>Any other business</p> <p>None.</p>	
14.	<p>Date of next meeting</p> <p>The next meeting of the Committee was scheduled for Wednesday 14 March 2018 at 4.00pm.</p>	

<p>15.</p>	<p>Identification of Confidential Items</p> <p>Resolved: That the following items are to remain confidential:</p> <ul style="list-style-type: none"> • Issues under Matters Arising (3.5, 3.6 and 3.7) • Item 4 - Annual Report and Financial Statements for the Year Ended 31 July 2017 • Item 06 - Management Accounts to 31 October 2017 and commentary • Item 08 - Learner Recruitment and Funding Update 2017-18 • Item 11 - Approval of Contracts and Planned Expenditure in Excess of £125k • Item 16 – Annual Salary Review for Senior Post Holders and Director of Governance 	
<p>16.</p>	<p>Annual Salary Review for Senior Post Holders and Director of Governance</p> <p>HB withdrew from the meeting.</p> <p>NL provided background information and salary details then withdrew from the meeting.</p> <p>Confidential item.</p>	

Signed:

Date: