



## **NORTH SHROPSHIRE COLLEGE**

**MINUTES OF THE MEETING OF THE  
FINANCE & RESOURCES COMMITTEE  
held on MONDAY 27 NOVEMBER 2017  
in the BOARD ROOM, at the OSWESTRY CAMPUS**

**Present:**

|                       |            |                   |
|-----------------------|------------|-------------------|
| <b>Mr T Trickett</b>  | <b>TT</b>  | <b>Chair</b>      |
| <b>Mr I Clinton</b>   | <b>IC</b>  | <b>Principal</b>  |
| <b>Mr W Dakin</b>     | <b>JWD</b> |                   |
| <b>Mr P Polowyj</b>   | <b>PP</b>  |                   |
| <b>Mrs G Richards</b> | <b>GPR</b> | <b>Vice Chair</b> |

*Attendance: 83.3%*

**In attendance:**

|                       |            |  |
|-----------------------|------------|--|
| <b>Mr P Nangle</b>    | <b>PN</b>  | <b>Deputy Principal</b>                    |
| <b>Mr B Deed</b>      | <b>BD</b>  | <b>Interim Finance Director - outgoing</b> |
| <b>Ms S Whitling</b>  | <b>SW</b>  | <b>Interim Finance Director - incoming</b> |
| <b>Mrs C Thompson</b> | <b>CDT</b> | <b>Governance Advisor</b>                  |

*The meeting opened at 4.49 pm*

*The Chair welcomed the incoming Interim Finance Director.*

| <b>Item</b>  | <b>Action</b> |
|--|---------------|
| <b>1. Apologies</b><br>Mr J Fletcher.  |               |
| <b>2. Declarations of interest</b><br>None.  |               |
| <b>3. Minutes</b><br>The minutes of the meeting held on 28 September 2017 were approved and signed by the Chair. |               |

**4. Matters arising**

There were no matters arising.

**5. Finance report to September 2017**

The interim Finance Director (outgoing) presented his report. There had been an increase in non-pay costs therefore the deficit outturn for 2016/17 had been larger than reported to Board in June.

Nursery income was £14k adverse to budget. The interim Finance Director had expected income to have improved but this had not materialised to October. Income was similar to the previous year. Governors asked for the reasons: were numbers too low or was there overstaffing. Numbers were good in the younger groups, but not the older ones, which were the most profitable. November figures should be improved. The Principal advised that line management had reported that income was higher in November, sufficient to justify an extra staff member. This would be followed up. Governors asked if the issue with outstanding debt had been resolved, and if not, how significant was the debt. This remained an issue from 4-5 years previously, with a total amount of £40-£50k. Milk production and price was significantly above the previous year. The farm performance had improved. Governors asked if funding income had been reallocated to the farm, as discussed at the previous meeting. This would be done within the budget going to the next Board. There was an issue with administration costs which should have been allocated against the farm.

**SW –  
Nov**

**SW - Dec**

Governors asked what was the creditor position. It was not stretched: Exceptional Financial Support (EFS) had allowed it to be cleared.

Governors asked about funding stream income and when firm reports would be available: they asked for an indication of performance against budget. 16-18 numbers were down against budget, and there was an adverse variance for Education & Skills Funding Agency (ESFA) income. Apprenticeships enrolments had dropped. Governors asked if management were adjusting staff numbers accordingly. The Deputy Principal said there would be 18-22 new apprentices starting in January and reminded governors that there had been a six-week hiatus whilst the department had been reorganised and new, solid processes put in place. Half of the apprentices would be on the new standards instead of frameworks, which were worth twice as much so whilst targets in terms of numbers might be missed, income would still be higher. The anticipated LEP funding for IT was linked to apprenticeships targets. Governors asked when it would be possible to get a feel for the potential outcome: in the New Year. Governors asked if the MIS Director was working on this report: the incoming interim Finance Director was meeting managers of all areas to discuss performance.

**SW –**

Governors asked for the update to be available at the next meeting. **30.1.18**

Governors asked about variations in financial performance, including why teaching staff costs were adverse to budget. This was partly due to the allocation of administration staff to teaching. Management had anticipated £400k of savings in teaching but not all had been achieved. Governors were asking what mitigating measures were being taken. The Principal said ESFA recognised the College's need to have MIS support, etc. However whether the College merged or not, it would need to restructure, and suggested that NSC undertake the merger first. The forecast was based on a standalone position at the present time. Governors agreed.

Governors asked for confirmation that EFS would be received. The Principal advised it had been considered at the recent case conference. Tranches were confirmed and would be slightly re-profiled but the overall amount was the same.

**ACTION**

**1. Provide an update on learner numbers against allocation at the next meeting.** **SW – 30.1.18**

**2. Undertake a restructure.** **IC – Jan-Jul 2018**

**6. Financial plan update**

ESFA had wanted to adjust the plan: it was agreed to provide the amended version in December. The outgoing Finance Director presented an update on the current plan, which would be reviewed by his successor. He had completed the financial forecast behind it.

£171k for apprenticeships carry in was a robust figure but lower than the amount forecast in the summer (£217k). This was the result of the Deputy Principal's cleansing of the data. 16-18 numbers were down but the Adult Education Budget allocation could be reached with further work.

ESFA's focus had been on staffing costs, as the ratio to income had worsened, especially as income had dropped. The plan would be brought back to the Board for approval, once it had been revised. The Committee agreed that this should be taken to the Board, once the incoming Finance Director had had the opportunity to review it. The incoming Finance Director was reviewing non-pay costs/ Committee noted the work in progress. It would be reported to the next meeting.

**SW - 30.1.18**

Governors asked if the £200k lower 16 18 income was already included. This was confirmed.

Other ESFA income £1.172m was in the plan, against a budget of £1.6m. Governors asked the budget would be reached. Part of this was apprenticeships provision, and work was ongoing to re-establish robust quality throughout the department, and then to actively seek numbers, but only those that could be serviced well.

Governors asked about the relationship with the bank. The outgoing Finance Director said he had been in contact with them the previous week. Their main concern was that the College merged. The Principal said he and the Chair had met them. The major issue was that they wanted to keep working with the public sector. The bank was positive about consistency in the Board and that when merger had collapsed, the existing Board had remained in place.

**ACTION**

- 1. Take revised Financial Plan to Board once reviewed, and then bring to the Committee**

**SW –  
11.12.17  
& 30.1.18**

**7. Policies**

Staff Capability Policy: following discussion with the unions, more had been added about training. The Principal now had regular Joint Consultative Committee meetings which had not happened before where this had been requested.

Staff Code of Conduct: updated British Values.

**ACTION**

- 1. Policies were both recommended to the Board approved.**

**CDT**

**8. Any Other Business**

Governors thanked Mr Deed as this was his last meeting.

**9. Date of next meeting**

The next meeting would be held on Tuesday 30 January 2018 at 6.00 pm in the Board Room at the Oswestry Campus.

*The meeting closed at 5.38 pm.*

**Chair .....**      **Date .....**