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**MINUTES OF A MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON WEDNESDAY 26 SEPTEMBER 2018**

**Present**

Pete Adams	Governor
Ruth Brook	Governor
Paul Pascoe	Governor
Louise Sharp	Governor
Mark Swales	Governor
Anne Tyrrell	Governor

The quorum for the meeting was three Members.

**In attendance**

Peter Doherty	Chief Operating Officer
Kathryn Brentnall	Acting Principal, Doncaster College
Mick Lochran	Principal, North Lindsey College
Claire Houlden	Executive Governance PA

The meeting was held in the Boardroom at Doncaster College and commenced at 5.30 pm.

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**1 Apologies**

Apologies for absence had been received from Abid Khan and Andy Tüscher. It was noted Anne Tyrrell would arrive late.

The Chair advised that as the new Clerk did not start in post until Monday 1 October, Claire Houlden, Executive Governance PA, would minute the meeting.

**2 Declarations of Interest**

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion. There were no declarations of interest.

**3 Appointment of the Chair and Vice Chair**

Nominations were sought for the role of Chair and Vice Chair for 2018/19. P Adams agreed to continue as Chair of the Committee; this was approved by members.

M Swales offered to stand as Vice Chair; this was approved by members.

**RESOLUTION:** P Adams appointed as Chair and M Swales appointed as Vice Chair of the Finance & Resources Committee for 2018/19.

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4i	<b>Minutes of a meeting of the Finance and Resources Committee held on 25 June 2018 and any matters arising</b>	
	The minutes were agreed as a true and correct record and signed by the Chair. There were no matters arising.	
4ii	<b>Confidential Minutes of a meeting of the Finance and Resources Committee held on 25 June 2018 and any matters arising</b>	
	P Pascoe asked for further discussion around this item and K Brentnall, P Doherty, M Lochran, and L Sharp left the meeting. It was agreed C Houlden could remain.	
	This item is deemed confidential and held separately by the Clerk to the Corporation.	
	K Brentnall, P Doherty, M Lochran, and L Sharp returned to the meeting.	
5	<b>Review of Committee 2017/18</b>	
	The Chair introduced the item as a review of the Committee's performance during 2017/18 and to consider the workplan and terms of reference.	
	Through questions the following items were discussed/agreed:	
	i. The Property Strategy would not be added to the Committee work plan. New Group Directors had been appointed who would develop strategies as part of their remit.	
	ii. Item 2.1 on the Terms of Reference would be amended to show membership up to 10 governors.	Clerk
	iii. The Search and Governance Committee were aware of the lack of finance and audit skills across the Governing body. Search and Governance Committee would be informed that this shortage has been highlighted at the Finance & Resources Committee.	Clerk
	iv. The powers of the Committee were as set out at Item 7.1. The review of Student Union accounts would be included at a future meeting.	Clerk
	v. The work plan was agreed.	
6	<b>Performance Monitoring</b>	
	M Lochran informed the meeting that there had been problems with obtaining the data due to teething problems with the internal report writing on the new MI system.	
	[A Tyrrell arrived – 5.55pm]	
	The following areas of activity were discussed:	
	i. The fall in 16-18 demographic in the North Lindsey catchment area had affected student numbers more than anticipated with enrolment down around 100 on last year.	
	ii. New programmes outside the College curriculum were being developed to increase numbers.	
	iii. At Doncaster 16-18 were +35 but withdrawals reduced that to 26 below target. Students were still enrolling.	
	iv. Possible financial losses were around £0.5m but there were a lot of students in the higher band which would mitigate the losses.	
	v. Adult recruitment was on target and recruitment continues throughout the year.	
	vi. North Lindsey were slightly below target for HE recruitment; Doncaster were above	

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target and expected to reach income. Some areas had over-recruited.

- vii. HE Engineering recruitment at North Lindsey was not as high as previously although more were on the higher apprenticeship; Construction was also an area of little growth. Both colleges were looking into digital courses.
- viii. Apprenticeship provision currently stands at £5.3m against a target of £6.8m; as recruitment continues throughout the year, it is expected to reach the target.
- ix. North Lindsey income was boosted by the number of apprentices at British Steel however the situation was being monitored due to the company making redundancies.
- x. It is expected that the potential £0.5m loss could be balanced by income from elsewhere and would not impact the Group's financial rating.
- xi. The new CATCH partnership would help increase figures.

## 7 University Campus North Lindsey (University Presence Project)

This item is deemed confidential and held separately by the Clerk to the Corporation.

## 8 Management Accounts to 31 July 2018

P Doherty introduced the paper and stated that the figures were subject to audit. The end of year audit would start 3 October. The following points were highlighted:

- i. actual surplus was £256k which was a shortfall of £267k on budget and forecast. This was due to pensions adjustments.
- ii. income target of £50m was not achieved but was in the financial plan for 2018/19.
- iii. Income was down for apprenticeships which was compensated for by cost reductions.
- iv. There had been a significant increase in asset value to over £30m.
- v. The LGPS actuary report had reduced net liabilities from £19m to £12.7m; this figure can fluctuate year to year.
- vi. Creditor amounts due for longer than 1 year had reduced due to bank loans being restructured or repaid.
- vii. The summary of benchmarks showed DN Colleges Group was at the top of the range for Good financial health with 230 points.

Members commented on the positive financial health of the Group.

## 9 Release of Charge by Lloyds Bank on High Melton Assets

P Doherty provided the background to the proposal to remove the charge on the High Melton site and reduce the Corporation's revolving credit facility from £3.2m to £1.5m. The Treasury Management policy requires alterations to banking facilities had to be approved by the Board and Members were requested to approve the proposal in principle for Board approval. Members agreed the recommendation.

It was confirmed there was a non-utilisation fee on the revolving credit facility however this was reduced due to the reduction in amount.

A Tyrrell advised that a paper was to be submitted to the Corporation on the current position with the sale of High Melton.

**RESOLUTION:** the release of the charge on High Melton assets was recommended to the Board for approval.

## 10 Lennartz/VAT Explanatory Report

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This report was to update previous North Lindsey governors about Lennartz and issues affecting Doncaster and other colleges. A recent VAT Tribunal found in favour of HMRC and the colleges were now liable for VAT charges on building usage. The liability of £800k had been provided for as had possible interest charges.

## 11 Chair's Actions

Members were updated on the recent contracts that were approved by the Chair of Corporation via Chair's Actions:

- £128,700 for online learning to Vision 2 Learn;
- £209,875 to Dawson Group for 5 year lease on coach;
- £109,836 + VAT for 3 year licence agreement for apps for students;
- Two purchase invoices for HE validation charges - £310,854 to University of Hull and £216,771 to University of Lincoln.

It was confirmed the Accounting Officer had powers to spend up to £100K as per the authority levels in the Financial Regulations; these would be reviewed for November's meeting.

## 12 Corporate Services Annual Reports 2017/18

P Doherty provided an overview of the annual reports:

- i. Estates: the extension of the North Lindsey helpdesk system to Doncaster had been implemented successfully.  
There had been a high number of staff movements at North Lindsey due to the relocation of staff from the Humber UTC.  
The development of the HE Centre at the Hub had also required heavy Estates involvement.  
The use of Stainforth for Doncaster Music provision was questioned. It was confirmed that numbers for the course were reduced and the provision was to be reviewed. Future usage of the site long term had to be considered as part of the property strategy.  
It was requested that benchmark utilities data be provided in future. PD
- ii. HR: UCU had contacted both colleges to say they were in trade dispute as a result of the 5% pay claim and the union intends to hold a ballot on industrial action.
- iii. Digital Technology: the implementation of new group systems was being taken forward.  
IT staff had also been working on the various staff moves at both sites.  
A new Group structure for staff had been introduced.
- iv. Procurement: the Group had an agreement with Tenet for provision of procurement services until July 2019 and this area will be reviewed for future provision.  
M Swales recorded a conflict of interest and stated he was part of a regional consortium that could provide savings for procurement.
- v. Treasury Management: There were no concerns to report.

## 13 Any Other Business

None.

**Item****Minute****Action****14 Date and Time of Next Meeting**

Wednesday 14 November, 2018, 5.30 pm, at North Lindsey College.

The meeting closed at 7.10 pm.

**Clerk to the Corporation**

**Signed:** ..... (Chair)

**Date:** .....

<b>TABLE OF ACTIONS</b>			
<b>Date</b>	<b>Minute</b>	<b>Action</b>	<b>Responsibility</b>
26/9/18	5ii	Item 2.1 on the Terms of Reference would be amended to show membership up to 10 governors.	Clerk
	5iii	The Search and Governance Committee were aware of the lack of finance and audit skills across the Governing body. Search and Governance Committee would be informed that this shortage has been highlighted at the Finance & Resources Committee.	Clerk
	5iv	The powers of the Committee were as set out at Item 7.1. The review of Student Union accounts would be included at a future meeting.	Clerk
	12i	It was requested that benchmark utilities data be provided in future.	P Doherty