

AQUINAS COLLEGE

RESOURCES COMMITTEE

Date: 7 November 2017  
Time: 4.30 pm  
Venue: The College

GOVERNORS PRESENT

Miss M Braithwaite, Mr P Carter, Mrs H Dove, Mr P Horton and Mr D Pearson.

Miss M Braithwaite in the Chair.

IN ATTENDANCE

Mrs D Blackburn      Assistant Principal

Mr T Conlon            Clerk to the Governing Body

1.      APOLOGIES FOR ABSENCE

Apologies for absence was received and accepted from Mr D Hodson and Cllr T P McGee.

2.      DECLARATION OF INTERESTS

Governors and Staff were asked to declare any interest, which they may have in any of the items on the Agenda for this meeting. No interests were declared.

3.      MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 6 June 2017 copies of which had been circulated previously, were agreed as a correct record.

4.      MATTERS ARISING FROM THE MINUTES

a) Charging Policy for Continuing Education Courses – Minute 5

Mrs Blackburn advised Governors it had been decided that the A level Law course would not run but AAT level 3 was up and running.

b) Self Evaluation Tool – Minute 11

The Clerk to the Governing Body reported that he had received two returns from members of the Committee.

5.      HEALTH AND SAFETY ANNUAL REPORT 2016/2017

Mrs Blackburn introduced a paper that had been prepared by Neil Lowe, Health and Safety Adviser, which had been circulated to all members prior to the meeting. The report covered the academic year 2016/2017 and the main points were as follows:

- a) Accidents reported for the period 1 September 2016 to 31 August 2017 were summarised by cause. The number of accidents was 9 which was the same as the previous year. No incident had been reported under RIDDOR.
- b) Work related ill health – Governors noted that the main causes of absence was reported as Muscular -skeletal disorders and stress related. The number of days lost had increased from 109 in the previous year to 150 and covered 10 staff. 61 days affecting 3 staff had been due to stress related illness compared to 78 days in the previous year. Muscular skeletal disorders accounted for 83 days also affected 3 staff.
- c) Four departments, Art and Design, Facilities, Kitchen and Science were classed as high risk. Whilst IT, Physical Education, Performing Arts and Pathways were classed as medium risk. All the four departments classed as high risk have been audited in the last 12 months. For Physical Education, Performing Arts and Pathways updated risk assessments have been undertaken in the last 12 months.
- d) Benchmarking data had been provided that showed that the college was performing well in comparison to other colleges.
- e) The key aims for 2017/2018 are i) to continue to implement the audit and reporting systems, ii) all departments designated higher or medium risk have a health and safety development plan which will be reviewed regularly and iii) to focus on identifying and controlling potential stress hazards within the college to contribute towards the college's stressors risk assessment and action plan and then begin the audit cycle again.

RESOLVED: That the Health and Safety Report for 2016/2017 be received.

#### 6. BUDGET UPDATE 2017/2018

Mrs Blackburn introduced a paper that had been circulated to all members prior to the meeting. The paper identified the difference in the budget for 2017/2018.

Mrs Blackburn advised Governors that in relation to High Needs students the college had secured an additional £104,000 from Stockport MBC which was short of what had been requested by around £50,000. A further £24,000 had been received to support 2 internships who will study at the college and have work experience at Stockport MBC. The curriculum staffing budget has been reduced by £28,000 and the Support Staff budget reduced by £34,000. Mr Pearson advised Governors that there had been some restructuring following the resignation of a senior member of staff. Mrs Blackburn added that whenever a vacancy occurs a review is undertaken to determine whether or not a like for like replacement is needed.

The effect of this means that the budgeted surplus for the year has increased from £333,000 to £503,000. This was always going to be a larger surplus than normal as the college grew by 119 students in September 2016 which has increased the income for 2017/2018.

Mrs Blackburn introduced a paper “Explanation of the effects of FRS 102 (28) pension adjustments” that had been circulated previously to members to outline the changes to the Statutory Accounts as a result of the GMPF's assets and liabilities being de-pooled and allocated to individual colleges. The areas of cost that have been adjusted are a) Statement of comprehensive income and expenditure and b) Balance Sheet. The actuarial reports are produced after 31 July each year as investments are assessed at that date. This means that the adjustments to staffing costs, interest cost and actuarial gains/losses will not be included in the management accounts for the year but will be included in the statutory accounts.

The budget would be reviewed in January 2018.

RESOLVED: That the budget position be noted.

## 7. MANAGEMENT ACCOUNTS

A discussion took place on the Management Accounts for October 2017 that had previously been circulated. Mrs Blackburn advised Governors that there was nothing out of the ordinary for Governors to note.

A discussion took place on the October 2017 Management Accounts with particular reference to the following:

- a) The retained surplus had increased from £330,000 to £503,000 in the forecast column as detailed in the budget update.
- b) The number of students on roll on the census date for this academic year will be around 2187 which means a drop of around 20 – 30 students which will mean a reduced budget for 2018/2019.
- c) Particular reference was made to the three new factors in the Performance Indicators:
  - i) cash days in hand, ii) current ratio and iii) current ratio adjusted for accounting entries along with Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as % of income.
- d) Indebtedness cannot be more than 40% of income. Mrs Blackburn reminded Governors that the variable element of the loan that is outstanding could be paid off at any time without penalty.
- e) A discussion took place on the financial health of the college which remained good for both 2017 (actual) and 2018 (budget). The college points score has increased from 210 to 220, the points score would need to be 240 or above to be classed “Outstanding”. Mr Pearson advised Governors that the college needs to show it is a going concern. Mr Horton asked if the Government change the scoring would the college move from good. Mr Pearson replied that Sixth Form Colleges are more stable than General FE colleges.

If members had any questions on the October Accounts they were asked to contact Mrs Blackburn.

RESOLVED: That the Accounts for October 2017 be received.

## 8. DRAFT STATUTORY ACCOUNTS 2016/2017

Mrs Blackburn introduced the draft Statutory Accounts for 2016/2017 that had been circulated previously to members. It was noted that the Audit Committee who have a governance role in considering the draft Statutory Accounts had discussed this at its meeting on 6 November 2017.

A discussion took place on a number of points included in the draft Statutory Accounts for 2016/2017 and a number of amendments were made. Governors were reminded of the effect of “FRS 102 (28) pension adjustments” detailed in the report on the budget. In addition all members were asked to check the draft Statutory Accounts for any mistakes or typing errors and to advise Mrs Blackburn accordingly.

The accounts remain draft until they are approved by the Governing Body and signed by the Chairperson, Principal and the auditors.

RESOLVED: That the draft Statutory Accounts for 2016/2017, subject to any governor amendments be recommended to the Governing Body for approval.

9. AMENDED BANK COVENANTS

Mrs Blackburn introduced a paper that had been circulated to all members prior to the meeting. The paper covered the proposed changes to the bank covenants to account for the pension disclosures under FSR 102 (28). The changes are to clarify the treatment of the large pension adjustment that need to be included in the accounts.

After a full discussion it was:

RESOLVED: That the Governing Body be recommended to approve the changes to the Bank Covenants.

10. FINANCIAL REGULATIONS

The committee recommended that the financial regulations be recommended to the Governing Body for approval.

11. ANY OTHER BUSINESS

Mrs Blackburn circulated the following for information:

- a) College Financial Plan 2017 to 2019 that had been issued by the Education and Skills Funding Agency, which showed that the financial health of the college based on the financial plan is: Good for 2016/2017 (the latest outturn forecast year) and Good for 2017/2018 (the current budget year).
- b) Finance Dashboard for the college dated November 2017 that had been issued by the Education and Skills Funding Agency.
- c) The scoring and grading system that is used to determine the financial health grade of colleges.

RESOLVED: That the above information be noted.

12. DATE OF NEXT MEETING

13 February 2018 at 4.30pm.

Signed \_\_\_\_\_  
Chairperson

Date \_\_\_\_\_