

AQUINAS COLLEGE
RESOURCES COMMITTEE

Date: 9 June 2015
Time: 4.30 pm
Venue: The College

GOVERNORS PRESENT

Miss M Braithwaite, Mr P Carter, Mrs H Dove, Mrs R Hewitt, Cllr T P McGee and Mr D Pearson.

Miss M Braithwaite in the Chair

IN ATTENDANCE

Mrs D Blackburn	Assistant Principal (Finance)
Miss E Bradbury	Head of Adult Education (Item 5)
Mr T Conlon	Clerk to the Governing Body

1. APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted from Ms C Calverley and Miss F Insoll.

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 meetings held on 27 January 2015 were agreed as a correct record.

4. MATTERS ARISING FROM THE MINUTES

Management Accounts – Minute 6 c

Cllr McGee asked if the £2m had come off deposit. Mrs Blackburn informed Governors that it had reinvested..

5. CHARGING POLICY FOR CONTINUING EDUCATION COURSES

Miss Bradbury introduced a paper that had been circulated prior to the meeting that gave details of the proposed fees to be charged for Adult and Continuing Education Courses for 2015/2016, along with a comparison for 2014/2015. The paper also detailed the courses that would be offered from September 2015.

A discussion took place on the introduction of the new loan facility for students aged 24+ that was introduced in September 2013. Anyone over 24 years of age will have to pay the full cost of the course, either in cash or by taking out a 24+ loan, either in cash or by taking out a 24+ loan, whilst anyone under 24 years of age will only have to pay a 50% of the fee as the SFA will pay the balance. Where applicable the fees include registration and examination costs.

The college is working in close liaison with the Local Authority and the number of their courses at the college has increased, particularly leisure courses. The Local Authority was finding it difficult to find suitable accommodation so the college offered its facilities.

The college had decided not to offer functional skills in literacy and numeracy. However, new courses of AAT Bookkeeping Level 1 and Level 2 along with Computerised Accounts Level 1 would be offered from September 2015.

Cllr McGee commented on the good publicity that the college had received as result of offering the Dr Who course. He also referred to the Art and Photography evening that the Adult Centre had organised and felt that it was a good initiative. Miss Bradbury advised Governors that as a result of working closer with the Local Authority the courses offered at the college would be included in the Civic Review.

RESOLVED: That the fees as set be recommended for approval to the Governing Body.

6. HEALTH AND SAFETY REPORT

Mrs Blackburn introduced a paper that had been prepared by Neil Lowe, Health and Safety Adviser, which had been circulated to Governors prior to the meeting. The paper covered the following areas:

a) Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

It was noted that one report had been made under RIDDOR in this academic year. This was due to a student sustaining a broken rib during a drama lesson when performing a planned dramatic fall. A thorough investigation was carried out and it highlighted some issues within this area of the curriculum all of which will be addressed.

b). Five staff members have been affected by work related ill health resulting in a cumulative absence of 25 days including weekends and bank holidays. A case of stress related absence accounts for 20 of the total recorded days lost to work related ill health

c) Health and Safety committee meetings have taken place as scheduled throughout the year.

d) There are no significant findings to be reported to Governors.

e) There have been no new regulatory changes that have made a significant impact on the College.

f) Significant progress has been made regarding the development of appropriate health and safety training and the college has continued to develop the internal health and safety audit process to ensure that all departments classed as high risk will have received an audit by the end of the academic year.

A full report covering the academic year will be provided for the next meeting.

RESOLVED: That the report be received.

7. MANAGEMENT ACCOUNTS

Mrs Blackburn introduced the Management Accounts for May 2015 that had previously been circulated. A discussion took place on the May Accounts with particular reference to the following:

a) There had been a trading surplus of £451,000 to date. The monthly results for May 2015 show a loss of £4k. The forecast outturn for 2014/2015 is around £395k.

b) There has been no capital repayment to the loan this month. The repayments are quarterly in March, June, September and December.

c) At the end of April £2.053m was on fixed term with £1.759m on variable rate and this has been placed on deposit. The interest earned covers the cost of borrowing with a small margin.

d) There had been lower expenditure on staffing.

e) The Cashflow Forecast from June 2015 shows spending a bit higher in November and December due to the payment of examination fees. Cllr McGee asked if the income shown for high needs

students was a reality. Mrs Blackburn advised Governors that the Local Authority had agreed £112k to date; the total claim would be in the region of £200k.

Mrs Blackburn advised Governors that the college had received monies from the SFA and EFA for initiatives that had not taken place. The External Auditors (Mazars) had explained that in their experience the SFA may claw back the monies but the EFA were unlikely to claim the monies back. The monies would be released into the accounts over the next three years

If Members had any questions on the May Accounts they were asked to contact Mrs Blackburn.

RESOLVED: That the Accounts for May 2015 be received.

8. BUDGET 2015/2016

Mrs Blackburn drew Governors' attention to the papers that had been circulated prior to the meeting in relation to the proposed budget for 2015/2016. The papers contained a) a spreadsheet of cash income and expenditure b) the same converted into accounting format and c) a text summary.

The EFA and SFA have confirmed that the income from them for 2015/2016 will be £8,966,664 compared with £8,805,870 for 2014/2015 and is an increase of £160,794. The funding is based on 2077 students compared with 2054 for last year. There is also a small increase in funding protection of £3k to £299k; this will reduce to nothing in 2016/2017. An increase in the number of high needs students from £240k to £252k; this element of funding provides the first £6,000 additional support funding per High Needs student. There are 42 students which is 5 more than in 2014/2015. The total income for the college is £10,060,688 which is an increase of £192,053.

The draft budget shows a contingency reserve of £68,526 compared to £199,000 last year, whilst the trading surplus is £131,544. It is anticipated that there will be additional income for students with high needs but additional costs will also be incurred. This should be cost neutral.

Mrs Blackburn advised Governors that there would be increase in the employer's contributions for national insurance from 10.4% to 13.8% and teachers pension 14.1% to 16.48%. These increases amount more or less to the additional income for the college.

Mrs Blackburn advised Governors that whilst the position on a national pay award for staff was uncertain one per cent had been included in the budget.

Miss Braithwaite asked what the implications of IT provision were. Mrs Blackburn advised Governors that some purchases had been brought forward, others moved back. The main costs would be the replacement of the telephone system and the replacement of switches. Mr Pearson added that in the current financial year the broadband had been increased, the hardware infrastructure had been increased and 130 computers had been replaced.

Cllr McGee advised Governors that the college had just received its Dashboard which gives a comparison of the college's financial health. It is outstanding at the moment but is predicted to be good. The college budget is very tight but not a deficit budget. Some colleges may have to merge or close.

RESOLVED: That the draft budget for 2015/2016 as presented be recommended to the Governing Body for approval.

9 STATEMENT OF RECOMMENDED PRACTICE (SORP)

Mrs Blackburn introduced the paper that had been circulated to Governors prior to the meeting. The Audit Committee would also receive the paper along with a report from the External Auditors. Mrs Blackburn advised Governors that the grading of the college's financial health will probably go down as a result of the introduction of Statement of Recommended Practice (SORP).

The aim at the paper is to give Governors brief outline of the implications for the college using the accounts for the college for the year ending 31 July 2014.

The SORP will detail how the accounts will be presented. The new framework will apply from July 2016 and will affect the 2015/2016 accounts. The main areas that will change are as follows:

- i) Treatment of Capital Grants
- ii) Holiday Pay Accruals
- iii) Pensions

The Financial Health of the college is determined by the following:

- a) Current ratio – assets/liabilities
- b) Performance ratio – surplus/income
- c) Gearing ratio – loans/balance sheet total

It was agreed that there was a need to liaise with other colleges in the sector. Mrs Blackburn would be attending a meeting with other colleges next week. In addition advice would be sought from the Association of Colleges (AOC) and SFCA. Cllr McGee said it was important to do what is best for the college but be mindful of how the sector is reacting.

RESOLVED: That the paper be received.

10. NATIONAL FUNDING POSITION

Mr Pearson advised Governors that there were a number of things that could affect the college but no clear decisions had been made. The Chancellor of the Exchequer would present his first budget following the election on 8 July 2015. There is SFCA meeting on 7 July 2015 but it is unlikely that anything will be known. Mr Pearson is also attending a Sixth Form Conference next week.

Mr Pearson advised Governors that the college were coming to the end of two periods of funding cuts and that protection will cease completely at the end of 2015/2016. Some colleges may not survive in the future.

A discussion took place on the schools within the Local Authority that have sixth forms. Miss Braithwaite asked if the college had considered becoming an academy. Mr Pearson indicated that the Government had put a block on sixth form colleges becoming academies but the issue may be raised at the Sixth Form Conference next week. The main differences in becoming an academy are i) VAT could be reclaimed, ii) the college would be in the public sector and iii) the ability to borrow money and have debts would be removed.

Cllr McGee added that there 350 FE Colleges, 93 Sixth Form Colleges (there were 120 originally). In the North West there are 15/16 colleges of which there are 8/9 Catholic who may want to become an academy. Miss Braithwaite asked what would happen about the money the

college has borrowed. Mr Pearson advised Governors that the college would have to pay back what it could and the Government would pay the remainder.

CIlr McGee felt that there were distinct advantages and disadvantages in becoming an academy. A decision would need to be made on where it is felt the best place to be is. He added that he did not think Education particularly post 16 Education would be high on the Government's priorities.

11. AUTHORISATION OF TWO YEAR FINANCIAL PLAN

Mrs Blackburn advised Governors that the two year financial plan has to be submitted to the EFA by the end of July 2015. The plan includes the outturn for 2014/2015, the budget for 2015/2016 and 2016/2017.

The plan may be ready for the Governing Body meeting scheduled for 23 June 2015. If not the Chairperson would need to sign the Two Year Plan on behalf of the Governing Body.

RESOLVED: That the Chairperson be authorised to sign the Two Year Plan on behalf of the Governing Body.

12. RISK REPORT FOR MAY 2015

Mrs Blackburn introduced a paper that had been circulated prior to the meeting that provided Governors with a brief overview on risk areas which are a focus for the current half term. The areas were as follows;

- i) Ongoing reduction in EFA/SFA funding
- ii) Drop in SFA funding and rise in fee charges
- iii) High level ALS
- iv) A Level Reform
- v) The college overspends its revenue
- vi) Recruitment of students
- vii) Failure to recruit and retain key staff
- viii) Student Issues - Retention

The paper would be considered by the Audit Committee at its meeting on 15 June 2015.

RESOLVED: That the report be noted.

12. ANY OTHER BUSINESS

There was no any other business.

13. DATE OF NEXT MEETING

The next meeting to be held on Tuesday 10 November 2015 at 4.30pm, subject to the Calendar of Meetings being agreed by the Governing Body at its meeting on 23 June 2015.

Signed _____
Chairperson

Date _____