

Minutes Part I

Finance and General Purposes Committee	
Meeting Time and Date	1645 on 22 November 2017
Meeting Location	Room H1, Enfield
Present	Doug Fussell (Chair) Roger McClure (Vice Chair) Don Gratton Joy Hillyer Lady Milnes-Coates Lady Salisbury
	Damien Fallon (Finance) Malcolm Goodwin (Principal) Lynn Hart (Academic) Richard Prowse (Facilities) Joanne Coffey (Clerk)
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<p>1. Apologies</p> <p>1.1. None.</p>
<p>2. Declaration of Interests</p> <p>2.1. None.</p>
<p>3. Minutes</p> <p>3.1. The minutes of the Special Finance and General Purposes Committee meeting, originally received in Part II, were moved to Part I as no confidential matters were discussed.</p> <p>Resolved to</p> <p>3.2. Approve the minutes of the meetings of the 27 June 2017 Finance and General Purposes Committee and 12 July 2017 Special Finance and General Purposes Committee meeting as a correct record and authorise the Chair to sign them.</p>
<p>4. Matters Arising</p> <p>4.1. The matters relating to a new HR Strategy and the derivatives of the College's Overarching Statement were deferred to the Spring 2018 Principal's Report of the Finance and General Purposes Committee.</p> <p>4.2. All other matters are ongoing.</p>

- 4.3. The College's risk register flagged cyber-crimes and terrorism as risks and a need for insurance cover was proposed. Initial research has shown this is not standard practice in other colleges which will be double checked with the Association of Colleges (AoC) and Landex.
- 4.4. NFU Mutual, the College's insurers, are also being requested to seek advice on whole sector coverage from the Education and Skills Funding Agency (ESFA).

5. Review of Terms of Reference (Decision)

- 5.1. No revisions were proposed.

Resolved to

- 5.2. **Adopt the Finance and General Purposes Committee Terms of Reference and recommend them to the Governing Body for approval.**

6. Report of the Director of Finance (Decision)

- 6.1. The College continues to abide by its conditional liability that 95% of students trained in the Princess Royal College of Animal Management and Saddlery at Enfield are under 19.
- 6.2. The Senior Leadership Team (SLT) confirmed that all budget holders receive appropriate training and support for this responsibility.

Resolved to

- 6.3. **Approve the list of budget post holders for 2017-18 and authorise the College Financial Regulations to be updated for the above.**

7. Group Management Accounts 31 July 2017 (Decision)

- 7.1. The College's balance sheet shows significantly improvement on the previous year due to the surplus generated.
- 7.2. Total income of £12.4m corresponded with budget expectations.
- 7.3. Reduced expenditure resulted in an operating surplus of £499k, before an FRS 102 charge of £481k and a surplus on the sale of land of £694k. The statutory accounts reflect this surplus.
- 7.4. Salary costs of £7m benefitted by staff contracting out of the Pension Schemes (LGPS and TPS) and new systems are now in place to encourage staff uptake of pensions.

Resolved to

- 7.5. **Accept the group management accounts for the year ended 31 July 2017 and recommend them to the Governing Body for approval.**

8. External Auditors' Letters of Representation 31 July 2017 (Decision)

Resolved to

- 8.1. **Approve all the letters of representation (other than sections 4 and 15 of the College letter of representation) for the year ended 31 July 2017.**
- 8.2. **Recommend to the Governing Body that the Chairman of Governors and the Principal be authorised to sign the Letter of Representation in respect of the College.**
- 8.3. **Recommend to the Governing Body that the Principal be authorised to sign the Letters of Representation in respect of Capel Manor Limited and Forty Hall Community Vineyard Limited in his capacity of director of those companies.**

9. Report and Financial Statements 31 July 2017 (Decision)

- 9.1. The Chair of Governors to advise on some minor typos in the Report and Finance Statements document.
- 9.2. The Director of Finance and the Auditors were thanked for their hard work in producing the report.

Resolved to

- 9.3. **Accept the accounting policies and the Report and Financial Statements of Capel Manor College, Capel Manor Limited and Forty Hall Community Vineyard Limited for the year ended 31 July 2017 and recommend them to the Governing Body for approval.**

10. Financial Management and Control (Decision)

- 10.1. The College operated within the Key Accounting Ratios for 2016-17.
- 10.2. Key Accounting Ratios for 2017-18 remain unchanged, apart from the addition of an operating surplus of >0.
- 10.3. The Key Accounting Ratios for "Adjusted Current Ratio" is $\geq 1.6:1$ and this has been a key accounting ratio in the College submission for grant funding to the Skills for Londoners Capital Growth Fund project at Crystal Palace.
- 10.4. The Adjusted Current Ratio has been used to define the tipping point for prudent financial management in the cash flows that have been projected contingent on a successful bid to the Growth Fund and loan facility with the bank.
- 10.5. The validity and importance of the Adjusted Current Ratio were confirmed.

Resolved to

- 10.6. **Accept the key accounting ratios for the College for the year ended 31 July 2018 and recommend to the Governing Body for approval:**
 - a. **Adjusted current ratio $\geq 1.6:1$**
 - b. **Cash days in hand ≥ 30**

- c. EBITDA =/> 3%
- d. Operating surplus >0
- e. Borrowing costs =/< 4%
- f. Staff costs =/< 65%

11. Three Months Management Accounts 31 October 2017 (Decision)

- 11.1. Salary expenditure has been managed over the first three months of the Management Accounts and the Committee discussed the need for flexibility to increase salary budgets when growth is deemed appropriate.
- 11.2. The College's balance sheet is currently strong with Key Performance Indicators (KPIs) in line with future goals.
- 11.3. As the Audit Committee were monitoring debt management, a categorisation of debt would be presented at the spring 2018 F+GP Committee meeting and be incorporated into further reports.
- 11.4. SLT were congratulated for the strong progression observed in the accounts.

Resolved to

- 11.5. **Accept the group management accounts for the first calendar quarter to 31 October 2017 and recommend them to the Governing Body for approval.**

12. Revised Budgets 2017-18 (Decision)

- 12.1. The expectation of a rise in High Needs funding was reflected in the revenue budget and this would continue to be monitored closely as staffing has increased to resource the expanded provision.
- 12.2. A surplus of £29k is now projected for the year (a reduction of £139k).
- 12.3. The College's capital budget to be increased for the following:
 - a. £58k of investment in servers
 - b. £99k of investment in greenhouses (subject to a successful application for matched funding)
 - c. higher development costs for the Enfield visitor centre of £2k
 - d. fitting out of the leather centre workshop of £40k.
- 12.4. The costs for the Crystal Palace Park redevelopment to be increased by £20k
- 12.5. IT and network developments, staffing and budgets were continually being monitored to ensure they were meeting demands.

Resolved to

- 12.6. **Accept the revised revenue and capital budgets for the year ended 31 July 2018 and recommend them to the Governing Body for approval.**

13. Report of the Principal

- 13.1. Leases are continuing to be renegotiated as follows:
- a. The lease with Gardening Which? had lapsed after protracted negotiations. Which? have indicated a desire to re-negotiate a new lease which is welcomed by the College.
 - b. Positive talks had taken place between the College and the Gunnersbury Park Community Interest Company and further explorations about how the College's land based expertise might complement the Gunnersbury Park regeneration project were being explored.
 - c. The College's lease at Gunnersbury Park runs until 2019 and initial talks about renewal and variation to the lease arrangement are being pursued.
 - d. Positive discussions with Royal Parks for a longer tenure at the Regent's Park centre, to support the Mayor's green space initiatives and provide long term horticultural and educational benefits and being pursued.
 - e. Specialist legal representations may be needed in all lease negotiations.
 - f. Currently these are provided mainly through the College's solicitor.
- 13.2. The Enfield visitor centre's working group have been analysing data and a proposed update will be reported to the Governing Body on 13 December 2017.
- 13.3. The Enfield and Forty Hall centres are taking part in the Mayor's RE:FIT Programme for energy savings, to receive professional advice on investment in lighting and heating to reduce expenditure. If successful this will be commissioned for other centres.
- 13.4. The requirements of the General Data Protection Regulations (GDPR), gender pay equality and maternity leave amendments are currently being risk assessed and the HR system, iTrent, is expected to facilitate much of the initial process.
- 13.5. The Vice Principal (Academic) was congratulated for her success in the College having been selected as one of six colleges nationally to run the Young Carers Programme.

14. Projects and Partnerships

- 14.1. New Covent Garden market is not included in current projects and partnerships and remains an option for future interest once more information is made available on the completion of the Nine Elms development.
- 14.2. The College has extended the tripartite agreement with Tottenham Hotspur Football Club (THFC) to construct a new outdoor environmental education facility at Dickensons' Meadow. THFC will build a reception centre and sports pitches and the College will maintain the wildlife area and provide opportunities for Enfield school children to use educationally.

15. AOB

15.1. None.

16. Date of next meeting

16.1. The next Finance and General Purposes Committee meeting will take place on Monday 12 March, 2018 at 1700.