

**Minutes of the Finance Committee
held on Friday 4 December 2015 at 8.00am
In the Boardroom
at Matthew Boulton Campus**

Present:	Apologies:
Jenni Ord (JO)	Steve Hollis (SH)
Veronica Docherty (VD)	Andrew Cleaves (AC)
Dagen Thompson (DT)	
In Attendance:	
Louise Jones (LJ)	
Helen Ainsbury (HA)	
Julie Nugent (JN)	
Liam Nevin (LN)	

Apologies & Declarations of Interest

Apologies were received from Steve Hollis and Andrew Cleaves.
There were no declarations at this point in addition to those recorded on the register of interests.

Item 1 – Appointment of the Chair

With the consent of the meeting JO was appointed Chair for the duration of the meeting

Item 2 – Minutes of the Recovery Group meeting held on 9 October 2015

The minutes were approved as a true and accurate record of the meeting.

Matters Arising and Action Log

The Action log was reviewed and it was agreed to retain those actions which could not at this point be confirmed as completed.

Item 3 – Update on Recovery Action Plan

This item is recorded in a confidential minute

Item 4 – Revised Banking Covenants

This item is recorded in a confidential minute

Item 5 – Financial Statements 2014-15

LJ introduced this report and advised that whilst there were a couple of minor adjustments to be finalized, the outturn position was an operating deficit of £16.2 million against a forecast of £16.1 million.

It would be necessary to make adjustments to reflect a VAT repayment and the settlement of litigation and costs. In addition, the College had received a partial qualification in a recent SFA funding audit and discussions would need to be held with the SFA over any potential financial implications of this. In summary the Audit had run smoothly and the audit opinion was unqualified.

JO noted that the funding audit had demonstrated an issue with the internal controls of the College and LJ agreed and advised that the matter was referenced in the Internal Control Statement.

LJ also advised that, consistent with recent discussions at the Corporation it would be necessary for formal approval to write off £1.2 million against expenditure on assets. In response to a question from JO, LJ advised that new processes were being implemented to reduce bad debtors.

JO thanked LJ and the Finance Team for their work over the course of the year.

Thereafter, it was noted that the recommendation erroneously referred to the Audit Committee, rather than the Finance Committee.

Accordingly it was

RESOLVED

- **That the Committee recommend the Financial Statements for 2014/15 to the Corporation for approval**
- **That the Corporation approve the loss on disposal of fixed assets of £1,208k**
- **That the Corporation note the increase in the bad debt provision of £173k**

Item 6 – Management Accounts

This item is recorded in a confidential minute

Item 7 –Financial Health Assessment

LJ introduced the report and advised that the assessment was in line with the plan submitted to the SFA by the College in July. The College's finances would be ranked as inadequate for such period as it was in possession of a loan from BIS.

It was noted that there would be a change in methodology for employer-routed apprenticeships and that the College was required to submit monthly management accounts to the SFA.

Accordingly it was

RESOLVED

- That the SFAs assessment of the College's financial health be noted.

Item 8 – Pay Award 2015/16

This item is contained in a confidential minute

Item 9 – Update on Sub-Contracting Arrangements for 2015/16

This item is contained in a confidential minute

Item 10(i) – Disposal of Riverside

This item is contained in a confidential minute

Item 10(ii) – Property Disposals Update

This item is contained in a confidential minute


Item 11 – Update on Options for Area Review

This item is contained in a confidential minute

Any Other Business

There was no other business

Date of next meeting: Thursday 3 March 2016

Signed.....

Chair

Date..... 4.3.2016