

FINAL AGREED
FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on **Tuesday 20th March 2018 at 4.00pm.**

Present: Cllr Sue Anderson (Chair), Thelma Probert, Lesley Servian and Elly Tobin.	
In attendance: Anne Barker (Clerk to the Corporation); Tony Day, Norman MacDonald (Director of Finance), and Yvette Meehan, Director of Adult Learning (for part of the meeting).	
1.	<u>Apologies</u> for absence. There were no apologies for absence.
2.	<u>Declaration of interest/s</u> No declaration of interest/s was made.
3.	<u>Declaration of any potential conflict/s of Interest with item/s on the agenda.</u> No declaration of any potential conflict/s of interest/s with item/s on the agenda was made.
4	<u>Notification of any other business.</u> There were no items of any other business.
5.	<u>Minutes</u> of the previous meeting. CONSIDERED: The Minutes of the previous meeting held on 6 th December 2017, PAPER FGP/18/03/05. RESOLVED: That the Minutes of the meeting be signed and agreed as an accurate record.
6.	<u>Matters arising</u> (not elsewhere on the Agenda). <u>RECEIVED:</u> Terms of Reference (revised) agreed by the Corporation in January 2018, PAPER FGP/18/03/06.
Finance items	
The following items were taken early in the agenda.	
8.	<u>Investment</u>
i.	<u>Investment Policy</u> REPORTED: That the Corporation last agreed the Policy on 4 th October 2016. The Finance and General Purposes Committee has to review the Policy annually to ensure continuing appropriateness. Norman MacDonald (Director of Finance) advised that the SLT had recommended approval by the Committee for the changes made to the
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<p>Policy. Some of the changes made had been to align the Policy with the Treasury Management Policy. Other changes recommended were an increase in the investment limit not to exceed the lower of £1.75m or 20% of the total cash reserves at the time of investment (2.3) and 3.4 to align with the Treasury Management Policy.</p> <p>CONSIDERED:</p> <p>The Investment Policy 2018, updated version, PAPER FGP/18/03/08.</p> <p>RESOLVED:</p> <p>To agree the revised Investment Policy 2018.</p> <p>ii. <u>Investment advice.</u> (Ref Minute 9, 16th May 2017 Minute 6, 4th July 2017 and Minute 7ii, 6th December 2017).</p> <p>REPORTED:</p> <p>That Antonia Cavalier, Client Relationship Manager, CCLA had given a presentation to the last meeting on Investment opportunities with CCLA.</p> <p>RECEIVED:</p> <p>Information and advice on Investment opportunities relayed from Paul Oxtoby, RSM, External Auditors, by Norman MacDonald. The advice given was that if the College ever needed money urgently, and if the market were down at the time, then any funds drawn down could potentially lead to a loss on the capital investment. However, the cash reserves at each month end in the College are forecast to be high at least for the next two years. With a positive cash flow, the need for emergency funds from investments is much less of a risk and would need to be exceptional circumstances. Other fixed term deposits are also options. The CCLA fund is not a high-risk investment.</p> <p>Norman MacDonald circulated a letter from CCLA dated 13th March 2018, explaining the difference in the COIF Charities Investment Fund and the COIF Charities Ethical Investment Fund.</p> <p>RESOLVED:</p> <p>i. That the advice received from Paul Oxtoby was helpful and that it was unnecessary for Paul Oxtoby to attend the meeting of Full Board to offer advice.</p> <p>ii. To recommend to the meeting of Full Board on 27th March 2018 that a further investment of £0.5m be made into CCLA.</p> <p>iii. The Director of Finance, Norman MacDonald, will discuss options at the meeting of Full Board.</p>	<p>Norman MacDonald</p>
<p>9. <u>Treasury Management Policy (2018 update)</u></p> <p>CONSIDERED:</p> <p>The Treasury Management Policy (2018 update); PAPER FGP/18/03/09.</p>	<p>Director of Finance, Norman MacDonald</p>

<p>REPORTED:</p> <p>Norman MacDonald (Director of Finance) advised that the SLT had recommended approval by the Committee for the changes made to the Policy. Some of the changes made had been to align the Policy with the Investment Policy.</p> <p>Other changes recommended were in paragraph 9 where the Finance and General Purposes Committee had been inserted and in paragraph 10 to agree the Principal has authority to open new bank accounts for the purpose of investment. This was reported as more appropriate and would be in mainstream banks.</p>	
<p>11 <u>ESFA funding allocations 2018-19</u></p> <p>RECEIVED:</p> <p>A verbal report from the Director of Finance on the key points contained in the ESFA annual16 to 18 funding letter.</p> <p>REPORTED:</p> <p>The College will receive £493k more income and £33k more in bursary funding next year.</p> <p>Figures for the Adult Education budget are awaited.</p>	
<p>12 <u>Management Accounts.</u></p> <p>REVIEWED:</p> <p>Management Accounts to end January 2018, PAPER FGP/18/03/12.</p> <p>REPORTED:</p> <p>Director of Finance Norman MacDonald reported that the year-to-date surplus was up against budget but he also cautioned that the profile could change as payments made follow an irregular pattern across the 12-month period.</p> <p>In terms of the updated year-end forecast outturn he reported that overall pay costs for teaching and support staff have been reduced by over 2% because of vacancy management—the-time lapse in the period between a staff member leaving and replacement in post Pay to income ratio is a little short of the FE Commissioner benchmark of 65% at 66%.</p> <p>The teachers' pay increase recommended by the SFCA is 1% for the top 3 teaching points and 2% on the bottom 6 teaching points. The extra 1% on points 1-6 will cost £16k. Full Board are to consider the increases recommended at next week's meeting as they exceed the 1% agreed already within the college budget.</p> <p>There was discussion about the future financial position and the increasing pressure on above 1% pay increase. The AoC is lobbying on adequate funding for SFCs. The Director of Finance will always monitor national progress and incorporate accordingly in planning future budgets.</p>	<p>Full Board</p>

	<p>RESOLVED:</p> <p>To approve the latest forecasted outturn.</p> <p>To note that the increase in investment income was largely due to CCLA returns.</p>	
13	<p><u>STANDARD ITEMS:</u></p> <p>i Review of <u>Financial Regulations.</u></p> <p>REPORTED:</p> <p>That the Audit Committee meeting later today will consider the revised Financial Regulations proposed (following biennial review of Financial Regulations), PAPER FGP/18/03/13 attached.</p> <p>ii <u>Major projects</u></p> <p>REPORTED:</p> <p>Director of Finance Norman MacDonald reported there were no major projects. The gas and electricity provider tenders are due in October 2019.</p>	
14	<p><u>Budget 2018-19</u></p> <p>RECEIVED:</p> <p>A verbal Report on the draft Budget for 2018-19 from the Director of Finance, Norman MacDonald.</p> <p>He reported on the additional ESFA funding income as well as the expectation for some additional learners next year. Staff performance increments will cost an additional £160k next year and potential pay increase above 1% will add to costs. The implications for increased employer contributions to the Teachers Pension Fund are awaited following the most recent Government actuary's valuation. The SLT has increased scrutiny of planned maintenance of capital resources and a planned preventative mainstream programme is being looked at.</p> <p>He concluded by reporting that there is sufficient extra income to cover additional costs identified to date. An additional 50-100 learners in September 2018 would be needed to address additional costs in the 2019-20 forecast.</p> <p>The committee members had no further questions and Norman was thanked for his reports.</p>	
4.55	Norman MacDonald left the meeting and Yvette Meehan joined.	
7	<p><u>Sub-contracting provision</u></p> <p>RECEIVED:</p> <p>A Report on current sub-contracting provision, PAPER FGP/18/03/07.</p> <p>REPORTED:</p> <p>Yvette Meehan spoke to the Report and advised that the Curriculum and Learning Committee meeting later in the week would consider the financial aspects of the combined report.</p>	

<p>All 2 sub-contractors JCC works with are on track to deliver the full contract by the end of the year. FMBS is now eligible to receive direct funding in their own right which may have prioritised their delivery but both she and the Deputy Principal reported they were confident the JCC contract would be delivered fully this year as FMBS draws students from job centres on very short courses and are able to add courses to achieve their targets.</p> <p>There was discussion and scrutiny throughout the Report delivery.</p> <p>Contracts for next year will be a separate discussion.</p> <p>Sub-contractors are only asked to deliver certain qualifications and courses for JCC Discussion at the last meeting of the committee had included the relatively high management fee for FMBS. However, Yvette Meehan explained that rationale and in general , the College benefits financially as FMBS deliver everything and deal with the administration</p> <p>BEEAS are slightly under target at the moment but have requested more funding to deliver additional courses and that will help JCC achieve its funding target.</p> <p>She reported also on the rigorousness of the Quality Assurance which the Curriculum and Learning Committee focus on.</p> <p>RESOLVED:</p> <p>That having considered the evidence received, the Committee agreed that an additional £25k be released to BEEAS immediately and a further addition can be returned to in future.</p>	<p>Yvette Meehan & Norman MacDonald</p>
<p>Yvette Meehan left the meeting</p>	
<p>10. <u>Funding Claims/ILR returns</u> Standing item</p> <p>RECEIVED:</p> <p>A report on Returns made to the ESFA (Education & Skills Funding Agency), PAPER FGP/18/03/10, by the Deputy Director, Tony Day.</p> <p>He explained the data contained and that there are 3 returns made annually. He and the Head of MIS scrutinised each return throughout the year. They ensure as many students as possible are returned on the 540 hours line. Adult Education is forecast to deliver to budget.</p> <p>There has been some discussion at SLT of the possibility of consolidated growth elsewhere in the City or with other providers, this year but there is insufficient time to discuss further today.</p>	
<p>15 <u>Principal's Report</u></p> <p>RECEIVED:</p> <p>The Principal gave a verbal Report.</p> <p>She reported that:</p> <p>Applications for 2018-19 are around 100 less than at the comparable time last year. There was discussion of reasons for this but it is hoped that the conversion from application to enrolment will prove to be stronger and thus the actual numbers on roll will not be depleted. SLT</p>	

<p>discussions on the position have discussed a possible enrolment campaign in the summer to Capture the students still wavering . If the conversion from application to enrolment is up by 2% then the numbers will be good enough.</p> <p>There are a number of staffing interviews taking place before Easter break. While there will not be the number of new staff in September as there were last year there are a number of retiring staff and those moving on for promotion elsewhere so we will still need to recruit.</p> <p>The premises search continues and the property planners from Birmingham City Council are meeting with the principal in the next few weeks. The premises viewed so far have not been suitable for a variety of reasons.</p> <p>There have been so exciting extra-curricular projects developed in recent weeks with Aston University and Birmingham professional services.</p> <p>MUN had to be postponed because of the weather but will be reinstated on July 6.7 and 8 and those participating have transferred their deposit to that date though some colleges are unable to make that date and we have been obliged to return their money.</p> <p>Colleges assets such as older computers are being sold rather than paying for them to be disposed off. This money helps towards a students fund and the sports hall.</p> <p>Meetings have taken place to discuss refurbishment and refreshing of the sports hall. A decision has not been taken yet until the figures have been studied more thoroughly and the priorities of the college assessed.</p>	
<p>16. <u>Any other urgent business</u></p>	
<p>17. <u>Date of final meeting in 2017-18:</u></p> <p>REPORTED:</p> <p>The date of the final scheduled meeting in 2017-18 is 12th June 2018 at 4.00pm.</p>	
<p>The meeting closed at 6:10</p>	

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