

Preston's College

Minutes of the Business Planning Committee meeting held on 1st December 2016 in Room ET114 at Preston's College.

Present:

Mr S Browne (Chair)

Mr M Mallam
Dr E H Smith
Mr J Taylor

In Attendance:

Mr S Fell (Clerk to the Corporation)
Mr P McMellon (Assistant to the Clerk)
Mr S Nixon (Executive Director of Resources)
Mr C Speight (Vice Principal (Enterprise and Engagement))

32. Welcome and Apologies

Apologies had been received from Mr P Kennedy, Mr J Boydell and Ms L Hornsby.

In Mr Kennedy's absence, Mr S Browne (Committee Vice Chair) chaired the meeting.

33. Declarations of Interest

No declarations of interest were made.

34. Minutes of the Committee meeting held on 13th October 2016

Resolved: That the Minutes be agreed as a true record and signed by the Chair.

35. Performance Against KPIs

Mr S Nixon drew attention to the 'Critical Issues' identified in his report. The Committee considered each issue.

(i) 16-18 Year Old learner numbers
(REDACTED)

(ii) Apprenticeship numbers

The likelihood that apprenticeship targets would be exceeded (and that increased funding allocations were expected) was noted. Mr C Speight expanded on the College's application for additional funding in the context of the significant volume of adult apprenticeship numbers. The

Committee also discussed the national system designed to operate the new arrangements.

(iii) HE numbers/income

(REDACTED)

(iv) External Grants/ESIF funding

(REDACTED).

(v) Learner Attendance rates

After two years of rates below target, the beneficial impact of in-year improvements was most welcome.

(vi) Quality measures

Although it was agreed that maintaining the improvements attained in 2015/16 would be very challenging, the targets set for 2016/17 were calculated to continue the upward trajectory of performance/results.

Resolved: That the current draft outturn position and the report be noted.

36. Management Accounts Period 3

Mr Nixon presented the Period 3 Management accounts. He confirmed that the report mirrored the KPI picture already discussed (Item 35 above) (REDACTED).

Mr Nixon then drew the Committee's attention to the expenditure forecast and the reductions/savings already effected in response to the income shortfalls. The drive to identify further in-year savings had entailed close scrutiny of all budget lines, with premises running costs and management restructure savings proving positive.

The Committee also reflected on the HE student recruitment prospects and implications of the College's relationship with UCLan. The 'trade-off' between Apprenticeship recruitment and HE recruitment was noted.

Regarding the 1% pay award to all staff included in the original estimates, it was agreed that the decision on paying the award (and consolidation thereof) should be deferred at this stage (with the consequent impact of this revised assumption to be reflected in the Period 4 report).

Resolved: That the Period 3 financial position be noted.

37. Annual Report & Financial Statements 2015/16

Mr Nixon presented the Annual Report and Financial Statements for consideration by the Committee. He reported that the Audit Committee had considered the annual report and financial statements on 23rd November 2016 from an audit perspective and had recommended formal adoption to the Board.

The Committee considered the FRS17 adjustment, noting the split between 'staff-related' and 'interest' elements.

The underlying operating surplus of £297,000 (c/w budgeted surplus of £128,000) was expected to be reported in the final draft as the audit was now largely completed with no significant matters arising in the auditing process. Thus, it was expected that the requirement to submit signed copies of the Annual Report and the financial statements to the Skills Funding Agency by 31st December 2016 would be met.

The Committee then examined the Annual Report and the Financial Statements. The accounting treatment of the FRS17 liability was explained by Mr Nixon. The contents of the Management Letter produced by the external auditor (KPMG) were also noted.

Resolved: That the 2015/16 Financial Statements be recommended to the Board for approval.

38. Financial Health Assessment – Skills Funding Agency Correspondence

Mr Nixon drew the Committee's attention to the Skills Funding Agency's (SFA) response to the College's Three Year Financial Plan as submitted to the SFA in July 2016.

It was noted that the SFA had accepted the College's self-assessed 'satisfactory' status.

REDACTED

Finally, the Chair drew attention to the Income Breakdown table in the dashboard information provided by the SFA.

Resolved: That the report and correspondence be noted.

39. Date of Next Meeting

The Committee noted that the next meeting would take place on 9th March 2017.