



**MINUTES OF THE TRC
RESOURCES COMMITTEE MEETING**

MONDAY 1 DECEMBER 2014

PART I

PRESENT

Mr P Jagger MBE (Chair); Dr P R Williams; Mr J Ellis; Mr S Kirk; Mr T Grice.

In Attendance:

Mrs S Martin (Clerk); Mr M Patterson, Vice Principal Finance & Resources; Ms C Granger, Marketing Officer.

The following members of Audit Committee were present up to Minute 14.76:
Ms J Collier; Dr R J G Bloomer; Mr B Owen; Ms A Todd.

APOLOGIES

14.69 There were no apologies for absence.

DECLARATIONS OF INTEREST

14.70 Members were reminded of the need to declare any interests. No interests were declared in respect of agenda items however, members reserved the right to declare an interest at any stage of the meeting.

MINUTES

14.71 The Minutes of the meeting held on 6 October 2014 (Part I) were agreed as a true and accurate record and were signed by the Chairman.

MATTERS ARISING

14.72 Members received a list of actions arising from previous meetings and noted the status of these.

FINANCIAL STATEMENTS AND AUDIT FINDINGS FOR YEAR ENDING 31 JULY 2013

14.73 The Committee had observed the Audit committee discharging its responsibility in terms of providing an opinion to the Corporation in respect of the Audit Findings and Financial statements. An unqualified opinion had been provided. The Committee were content with the Letters of Representation and the Statement of Corporate governance and controls, for recommendation to the Corporation. Grant Thornton advised members of the new accounting requirements included in the Financial Reporting Standard 102 and the impact this will have on the financial statements for 2015/16. It was recommended that finance staff and members ensure they are prepared for this in advance.

14.74 The Chairman invited members of the Resources Committee to consider the Financial Statements for year ending 31 July 2014 that recorded an operating deficit of £197k. J Ward

stated that the accounts are not a cause for concern and an unqualified opinion had been provided. It is understood that the lagged funding in relation to student numbers will have a positive impact by increasing income in future years. The VP F&R confirmed that a surplus budget is anticipated for the next three years, provided that there were no further significant funding cuts.

14.75 Thanks were conveyed to finance staff for their contribution to the process.

RESOLVED 14.75 That the Financial Statements and Auditors Report for year ending 31 July 2014, together with the Letter of Representation be recommended to the Corporation for approval.

MANAGEMENT ACCOUNTS FOR OCTOBER 2014

14.76 The management accounts were presented to members. The VP F&R highlighted the increased staffing costs of over £120k due to the additional 100 students for 2014/15. It was explained that due to the lagged funding arrangement in relation to student numbers, TRC won't realise the benefit of the increased income until the 2015/16 financial year. Members noted that the catering and energy costs have resulted in savings of approximately £30-40k, which may reduce the final years overspend to around £90k.

The Management Accounts for October 2014 were noted and received.

*Members of the Audit Committee, Mr J Ward and Mr D Jones left the meeting at 6:35pm.
Ms C Granger joined the meeting*

MARKETING ANALYSIS

14.77 Members, having already received the 2013/14 marketing analysis report, were given a presentation on the marketing strategy by the College Marketing Officer. This included details on the aims of and target audience for college advertising, key periods of advertising, communication channels utilised, effectiveness of the advertising, environmental challenges and threats along with opportunities for the future. General discussion ensued with members considering the advantages and disadvantages of different marketing methods and the budget implications. The Chair thanked C Granger for the report and presentation, stating that it had been extremely informative and useful in assisting members to understand the costs involved in student marketing.

Ms C Granger left the meeting.

HEALTH AND SAFETY

14.78 The VP F&R presented the Health and Safety Action Plan for discussion, confirming that all actions resulting from the December 2013 Health and Safety Audit are now complete. The next Health and Safety Audit is due in January 2016. J Ellis referred to one particular incident within the accident reporting log that stated no management action was required or taken in response to a student being burnt. The Principal provided further details of the incident in question and suggested that the outcome may not have been recorded correctly and he would investigate this further. This prompted further debate regarding how management action is recorded generally with members suggesting that the description used should more accurately reflect the management actions that have taken place rather than consistently stating 'none'.

- RESOLVED 14.78** That alternative descriptors should be used to more accurately reflect management action taken in response to accidents reported.

ESTATE MATTERS

- 14.79 Having been circulated with the agenda, the accommodation project update report for 2014/15 was discussed. The all-weather hockey pitch stage 1 application process has been deferred to February 2015 when they will consider the potential projects for the 2016/17 period. If successful with the stage 1 application then further action will follow. If 90% funding is secured, construction could take place during summer 2016.

LONGLEY PARK SOFT FEDERATION UPDATE

- 14.80 As a confidential item, this is included within Part II of the minutes.

FINANCIAL HEALTH GRADE AND DASHBOARD

- 14.81 The Committee received a copy of the correspondence from the EFA confirming the College's Financial Health Grade for 2013/14 and 2014/15. Members noted that the Education Funding Agency's assessed grade for 2013/14 had been downgraded to 'satisfactory' and the 2014/15 assessed grade is 'good'. The VP F&R referred members to the EFA Key Performance Indicators Dashboard and provided the background information to explain why some of the college figures are different to the sector average for sixth form colleges.

Formula Protection Funding (FPF) represents around 3% of the total 16-18 budget, so the average college receiving this funding gets around 4.5% more funding per student than TRC. TRC do not attract the funding because the General Studies course was ceased in the year to which the funding formula was applied, which in turn reduced the average size of the students' courses. However, this was a strategic decision that has increased exam success and value added rates, leading to the Ofsted Grade 2 which has ultimately attracted more students. Because of the FPF, financial comparisons between TRC and the SFC sector average is misleading. TRC has almost restructured its costs to accommodate the full funding cuts, some colleges still have to implement cuts to address the loss of FPF in July 2016.

- 14.82 The higher staff costs of 78.8% at TRC compared with the sector average of 69.3% can be attributed to several factors including the impact of the 3% FPF not received, student shortfall in 2011/12 affecting the 2012/13 income and the retention of in-house services such as catering, security and cleaning. By not contracting out these services they represent around 5% of total staffing costs for 2012/13 rather than being moved to non-pay costs as they would be for many other colleges, and which do not show in the dashboard figures.
- 14.83 Many SFCs carry loans and overdrafts, mainly relating to building projects. TRC has no debt.
- 14.84 The VP F&R concluded, and members agreed, that the dashboard figures present a weak picture for TRC compared with the SFC sector average, but taking the above points into consideration along with the increased student enrolments in 2014/15, the extra 3% disadvantage funding due in 2015/16 and the expected trading surplus for 2015/16, it can be seen that TRC is in a better position than the average SFC.

The Financial health grade and dashboard were noted whilst taking account of the detailed analysis above.

DATE AND TIME OF NEXT MEETING

- 14.85 The next meeting would be held on Monday 9 March 2015 at 5.30 pm

The meeting ended at 7.40pm

Signed _____ Chair

Date _____