

HARTLEPOOL COLLEGE OF FURTHER EDUCATION

Minutes of a meeting of the Finance & General Purposes Committee held on Wednesday 18th November 2020 at 5.30pm via TEAMS

Present:

Mr M Ward
Mrs L Watson
Mrs L Thornton
Mr D Hankey

Also in attendance:

Mrs K Dales
Mr A Theakston [Clerk]
Mrs C Menzies [Minute Clerk]

1 Apologies for absence

No apologies for absence.

2 Declarations of Interest relevant to business of meeting

None.

3 Minutes of previous meeting held on 30th June 2020

The minutes of the meeting held on 30th June 2020 were approved and would be signed in due course.

4 Matters arising and action points

KD advised the staffing budgets are constantly reviewed.

5 Issues arising out of FEC visit

As reported in the papers and as discussed at Audit Committee prior to this meeting.

6 To consider external audit findings for the year ended 31 July 2020

As reported in the papers and as discussed at Audit Committee prior to this meeting.

MW queried the calculation of the assumptions used by the actuary for the LGPS. KD said Covid and the timings of the year end date have affected the provisions.

7 To consider the draft consolidated reports and financial statements for the period 1 August 2019 to 31 July 2020 for recommendation to the Board for approval

KD informed considering the pandemic the outturn was broadly inline with the bottom line expected and she was happy that the ESFA rating of good has been achieved as well as conditions of the loan covenants with the bank. KD said cash was better than expected.

However, although the accounts were largely complete ESFA income still required determining and the going concern section needed to be expanded including reference to Covid.

There was still work to do on "going concern" before the accounts could be finally approved and for the auditors to give an opinion they needed further info from KD for 20/21 and 21/22. As it was unlikely that the financial information would be available by the board meeting the governors would be asked to approve the accounts subject to being able to certify that it was a going concern in due course.

It was agreed that the report and financial statements be recommended to the board for approval subject to going concern status.

- 8 To consider the draft HBDC Ltd directors report and accounts for the period 1 August 2019 to 31 July 2020 for recommendation to the Board for approval**
Instead of a small surplus which was anticipated before Covid a loss of £44k is the outcome due to the lost commercial income and gym fees. MW stated that given the scale of the situation the outcome is not as bad as it could have been and unavoidable.
- 9 To consider the letter of support from the College to the Company for recommendation to the Board for approval**
The letter of support was approved to go to the Board in December.
- MW referred to the question put to Audit committee by SI asking what were the intentions for HBDCL and was it necessary to keep it in existence. As agreed at Audit it would be considered at the strategy day next year. MW's general view that there was no hurry in winding it up and it may be beneficial to keep it as a dormant company in due course.
- 10 To consider the September management accounts**
KD advised period 2 management accounts were required by the ESFA and not usually done until period 3. KD highlighted the FE capital allowance received via a grant to improve the condition of College buildings to be used mainly on improvements to Exeter Street. KD advised of the tight deadlines for works, money was received in September and needs to be spent by March 2021.
- The Committee noted the accounts and had no questions/comments.
- 11 Updated budget for 2020/21 and 2021/22**
Confidential.
- 12 To note subcontracting for 2019/20 and 2020/21 to date**
KD said the report shows subcontracting information for 2019/20 and 2020/21. KD noted another audit will likely be needed next year seems subcontracting is over £100k.
- 13 To consider for approval a report on governors' expenditure for 2019/20 [verbal report]**
AT reported there has been no governor expenditure in 2019/20.
- 14 To consider register of interests of governors and budget holders**
Members noted the information which MW agreed could be rated as low. MW raised the subject of him being listed as a Director for HBDC which is at the Colleges request so not a personal interest. AT has since removed this as an interest.
- AT drew attention to the interest declared by S Hope for the purposes of transparency.
- 15 To consider compliance with TOR**
Report was reviewed and agreed that the TOR had been complied with and it would go to the board for information in December.
- 16 To consider merging Estates Committee with F&GP**
The Clerk drew the attention of the committee to his memo setting out the implications and benefits of merging Estates committee with F&GP. Members agreed it makes sense to merge the two committees. KD advised members funding had been received from the Government so capital grants will likely increase the workload for members of F&GP.
- 17 To consider the risk register and any Risk issues to report to Audit Committee re:-**
- non achievement of contract income levels
 - deterioration of financial health
 - staffing performance issues
 - HBDCL

No risks to report.

18 Any other business

DH gave an overview of his report relating to issues with Digital Apprenticeship Service which is affecting curriculum and College finances. DH advised a formal meeting will take place with the ESFA to discuss these issues.

LT asked if apprentices still outstanding have managed to be enrolled, KD confirmed they have not.

MW commended KD and her team for a very good outcome under extremely difficult and unforeseen circumstances.

19 To note the date of the next meeting

Wednesday 3rd March 2021 at 5.30pm

..... **CHAIRMAN**

Action points from the meeting held on 18th November 2020

Minute	Action	By Whom	By When
9	Implications of dissolving HBDC to be explored at strategy meeting	All	Strategy day date TBC
16	Present recommendations to Board for winding up Estates	APT	10 Dec 20