

**Agenda Item No: FGP19.02**

**MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE / TASK  
AND FINISH GROUP  
HELD ON 21 FEBRUARY 2018 AT 5.00 PM**

**1 INTRODUCTION**

- 1.1 The members present were: Tony Alderman, Michael Heanue (Chair), Garry Phillips and Denise Waldron.
- 1.2 The attendees were Janet Gardner (Executive Director, Principal), Laurie Morley (Project Director) and Urmila Rasan (Executive Director, Finance and Shared Services)
- 1.3 Keith Scribbins clerked the meeting.

- 2 Michael Heanue made the introductions. There were no apologies for absence.

**3 TERMS OF REFERENCE (FGP 18.02)**

The Clerk introduced the terms of reference of the former Finance Committee and the Task and Finish Group. It was **AGREED** that he should amalgamate the two, showing a membership of five, Chair or Vice Chair of Corporation, Principal and three other members (not staff or student members or Audit Committee members) and a quorum of two.

**4 REPORT OF THE TASK AND FINISH GROUP MEETING HELD ON 1 NOVEMBER 2017  
(FGP 18.03)**

This was **APPROVED** as a correct record. There were no matters arising.

**5 MANAGEMENT ACCOUNTS (FGP 18.04/18.04A/18.05)**

The five and six-month management accounts were introduced (by Urmila Rasan) and **ADOPTED**. It was indicated that a revised forecast was being prepared. Reference was made to sub-contracting and advanced student loans. Tables set out:

- Income and Expenditure (£4,598,000 deficit against budget £4,505,000)

- Balance Sheet (reserves £29,965,000)

It was indicated that the half year figures would go to the Corporation.

The role of Martin Smith (Consultant) was explained and the new format for the accounts was outlined. Work on sub-contracting, Evolve, mitigation and discussions with the funding authorities were all discussed.

The Committee was asked to **NOTE** a large number of points, for example, the shortfall on plan, the recovery plan and the various income streams. All these matters were **NOTED**. Reference was also made in discussion to the CSFS (4 and 5) reports in the Corporation papers (for the meeting to start after the Committee meeting) and these reports were **NOTED** and **ENDORSED**.

## **6 FINANCIAL RECOVERY PLAN (FGP 18.06)**

Urmila Rasan pointed out that the purpose of the plan is to provide the College with a framework to deliver financial solvency and an annual EBITDA greater than 3% of income and staff cost no greater than 65% of turnover.

Members were asked to **NOTE** and **APPROVE** identified savings, 2017/18 and 2018/19, the breakdown of the funding model, the implementation milestones and the master plan objectives. All these items were duly **NOTED** and **APPROVED**. Stephen Holley and Martin Smith were thanked for their work on the plan.

## **7 CASHFLOW AND MID-YEAR BUDGET (COR 18.07)**

Again, there were a large number of points to note (delay in completion date, terms and conditions of loan, in-year savings plan etc). However, the most important point was the proposed cap (£6m) on the draw down facility from Barclays Bank. This was still in negotiation with the Bank. The risks of not achieving the draw down were considered and would continue to be monitored. The proposed cap was **APPROVED** in respect of the negotiations with Barclays Bank. Members also looked at loan servicing and mitigation.

## **8 H AND F PROJECT FUNDING (FGP 18.08)**

Members touched on a paper which would be considered at the Corporation on the Hammersmith and Fulham Gateway Project Funding. Generally, the progress was **NOTED**, the land sale process was **APPROVED** and the cash flow was **NOTED**. However, time did not allow a detailed discussion and, hence, these items were all remitted to the Corporation.

**9 ANY OTHER BUSINESS AND DATE OF NEXT MEETING**

Thanks were extended to Michael Heanue for his invaluable work for the Committee/Task Group.

There was no other business.

The date of the next meeting is 27 June 2018.

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**Chair's Signature**

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**Date**