

**MINUTES OF SECTION A MEETING OF THE FINANCE & RESOURCES
COMMITTEE HELD ON 24 JUNE 2010**

Members (Absent*)	Mrs M Peart (Chair) Mr B Dorey Dr D Watkins	
In attendance:	Mr J Allen Mr R Greenaway Ms R Devan Mr D Fraser	Clerk to the Corporation Deputy Principal Director of Finance & Resources Director of HR

The meeting commenced at 1800.

23 APOLOGIES & DECLARATION OF INTERESTS

Apologies were received from Mr B Lester and Ms J Wacha. There were no declaration of interests. The Clerk confirmed that the meeting was quorate.

24 MINUTES

It was **RESOLVED** that the minutes of meeting held on 11 March 2010 be confirmed as correct and signed by the Chair.

25 MATTERS ARISING

There were no matters arising.

26 FINANCE - MANAGEMENT ACCOUNTS UP TO 30 APRIL 2010

The College report '*Management Accounts up to 30 April 2010*' was received (copy attached to the signed minutes).

The April Management Accounts forecast a year-end operating surplus before FRS17 adjustments of £181,335 against the budget of an operating surplus of £181,252. The forecast deficit after FRS17 adjustment is £115,335 against the budget surplus of £115,252.

The forecast operating surplus for the year of £115k remains in line with the budget position. The forecast indicates that the targets set by the LSC for Adults as well as 16-18s will be achieved except for a shortfall of £176k on 16-18 funding. Managers believe that this shortfall will be compensated by other strategies for increasing the funding generated by existing learners. On this basis it was confirmed that the full allocation of the 16-18 grant continues to be forecast.

It was confirmed that a contingency of £83k has been maintained in order to deal with the risks associated possible under achievement of tuition fee income and a possible reduction in E2E funding.

It was **RESOLVED** to note the April Management Accounts.

27 COLLEGE BUDGET 2010/11

The College report '*College Budget 2010/11* was received (copy attached to the signed minutes). The revenue budgets have been prepared in the format previously agreed by the Committee, and take into account organisational modifications that will be in place by the beginning of the year

The proposed revenue budget contains an income target of £17,457,595 with expenditure forecast at £17,347,008, resulting in an operating surplus of £110,587 before FRS17 Adjustment. The adjusted operating surplus after FRS17 Adjustment is forecast at £44,587.

The capital budget is forecast at £653,488.

In presenting the budget, the Deputy Principal focused on the following key points for the Committee to consider.

The College's current Finance Strategy requires that an operating surplus (before allowing for FRS17 costs) of 2% on income is achieved every year. The proposed operating surplus in the 2010/11 budget represents 0.64% of income and the Committee is being asked to approve this amendment.

Each curriculum area was subject to a review of budgeted profitability against the College target of a 50% contribution. Although a number of curriculum areas generated above 50% profitability and, are budgeted to make a satisfactory contribution to central costs and the College level surplus, a number fell below the required contribution of 50%. Performance in these curriculum areas will be subject to on-going review.

With the exception of generating an operating surplus of 2% against income, all other financial targets approved by the Corporation will be met if the budget is achieved.

Under Framework for Excellence, the budget achieves a total score of 300 points which places the College in a Grade 2 (Good) category.

The curriculum delivery plans for 2010/11 identified a higher level of growth than that the College Management Team believes to be achievable. Provision has therefore been made available to recognise the risk element of the plan. However, in order to prevent the distortion of income and expenditure budgets, this risk has been accounted for as a reduction in income and expenditure and not as contingency expenditure. The tuition fee budget was also believed to be overstated and provision has been made. The total allowance for contingency has been calculated at £689,987.

The three year-financial forecasts to support the budget will be made available at the July Corporation meeting for approval.

Following a very thorough review of the draft College budget, and of the key issues arising from the review, it was **RESOLVED** that the Corporation at its meeting on 8 July 2010 is recommended to:

- (i) Approve the College budget 2010/11; and
- (ii) Agree to vary the profitability target as set out in the Financial Strategy from 2% of income to 0.64%

28 ANNUAL REVIEW OF FINANCIAL REGULATIONS

The College report '*Annual Review of Financial Regulations*' was received (copy attached to the signed minutes). It was noted that no changes are proposed to the College's Financial Regulations.

It was **RESOLVED** to note the report.

29 2009/10 CAPITAL PROGRAMME

The College report '*2009/10 Capital Programme Update*' was received (copy attached to the signed minutes). The report confirmed a total forecast spend of £4,559,509 against the budget of £4,491,423. Against each capital project the Committee received a detailed analysis of performance against set budget with an explanation given on any variance against the budget.

The overspend was attributed to three capital projects that were not in the original capital budget, these being CCTV replacements (£6,695); Nursery Playground (£9,708); and Server/Software updates (£7,649).

It was **RESOLVED** to note the report.

(Ms R Devan left the meeting at this point)

30 PROPERTY

On the grounds that this agenda item involved commercially sensitive information relating to college property, it was **RESOLVED** to declare this part of the meeting a Part C confidential agenda item and to record the minutes separately.

31 HUMAN RESOURCES

- (i) *HR Termly Report*

The College '*HR Termly Report*' was received (copy attached to the signed minutes). The Director of HR presented the report.

The report provided information on staff turnover; staff vacancy levels; staff absence levels; the "well-being" audit; gender & ethnicity

monitoring; and appraisal completion, etc. Statistical data was supported with a range of presentation charts.

Key points arising from the termly report include:

- The staff turnover rate is currently 12.06%. During the period 1 March 2010 to 31 May 2010 a total of 7 staff left the College.
- The active staff vacancy rate as at 31 May 2010 was 0%.
- The staff absence rate for the same period was 4.47%.
- Male staff currently represent 33% of the College's total staffing.
- The College currently employs a total of 315 staff, of which 18% are from minority backgrounds.
- The percentage of the College's staff that has a disability remains at 4.2%. This is unchanged from the figure reported to the Corporation in June 2009.
- In accordance with the College policy on managing organisational change, Section G of the report provided the Committee with a summary of the outcome of the review of some aspects of the College's organisational arrangements following a period of consultation with staff and unions. The Committee noted the outcomes of the consultation process.
- Section H of the reported provided the Committee with information regarding the current period of consultation relating to a number of proposed redundancies. Details of the proposed organisational change had been circulated to governors and the consultation period will be for 30 days up to 7 July 2010.

It was **RESOLVED** to note the termly HR report and to relay to the next meeting of the Corporation the organisational changes that are currently subject to consultation.

(ii) *Management Guidelines on the Determination of the Duties for Teachers, Assessors, and Staff Providing Additional Learning Support 2010/11*

The College report '*Management Guidelines 2010/11*' was received (copy attached to the signed minutes). The guidelines are put to the Committee each year for approval. The recognised trade unions were invited to make comments on the 2009/10 guidelines or put forward any proposals to inform changes to the 2010/11 guidelines. No proposals to change the guidelines were made but clarification was sought on the arrangements for recording the teaching hours of absent colleagues and a new cross college system has now been put in place.

It was **RESOLVED** to approve the Management Guidelines 2010/11

32 WELFARE FUND/LEARNER SUPPORT FUND

The College report '*Welfare Fund/Learner Support Fund*' was received (copy attached to the signed minutes). Made available to the Committee was a copy of the document to be given to all learners that sets out the financial assistance that is available nationally as well as funding available from the College. The document outlines the priorities and mechanisms for the allocation of discretionary support funds.

It was **RESOLVED** to approve the '2010/11 Financial Assistance Guidelines'.

33 SAFEGUARDING

The Committee received, and **NOTED**, the minutes of the Safeguarding Committee meeting held on 17 June 2010 (copy attached to the signed minutes).

34 HEALTH & SAFETY

The Committee received, and **NOTED**, the minutes of the Health & Safety Committee meeting held on 10 June 2010 (copy attached to the signed minutes).

35 MONITORING OF COLLEGE PERFORMANCE & ASSESSMENT OF RISK

The College report '*Monitoring of College Performance*' was received (copy attached to the signed minutes). The Corporation has agreed a framework for the monitoring of College performance. The F&R Committee is responsible for making assessments in the two areas of Finance & Estates; and Staff & Human Resources with an overall assessment for each of the two areas being made available to the Corporation.

A 'Green' assessment was agreed for each of the performance indicators for the area of finance & estates.

Against the 10 agreed performance indicators of the area of staff & human resources one amber assessment was recorded against the Single Equality Scheme. It was confirmed that the new Single Equality Scheme will be an agenda item at the July Corporation meeting.

It was **RESOLVED** to inform the Corporation of the following assessments:

Finance & Estates	No Risk/No Concerns
Staff & Human Resources	No Risk/No Concerns

36 DATE OF NEXT MEETING

Thursday 2 December 2010 @ 1800

The meeting closed at 19.35

Signed: _____ Date: _____
(Chair)