



## **Minutes of the Finance and Resources Committee**

held 4 March 2009

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*Present:* Alison Perks (*Vice Chair*), Keith Bate, George Kasper, Phil Osborne, Nicholas Ronan

*In attendance:* Jacquie Carman (*Director of Finance and Administration*)  
Jenny Jerina (*Personnel and Quality Director*)  
Jennifer Sunter (*Clerk*)

### **1 Apologies**

Apologies were received on behalf of Paul Downing and Pam Thomas.

### **2 Declarations of Interest**

There were none.

### **3 Minutes of Meeting held 12 November 2008 and Matters Arising**

The minutes of the meeting held 12 November 2008 were approved as a correct record.

There were no matters arising.

### **4 Health and Safety**

The minutes of the Health and Safety Committee meeting held 4 November 2008 were received.

### **5 Staff Council**

Keith Bate explained that there had been a discussion on pay and conditions comparative to other providers in the region. Keith Bate had responded to staff that the overall conditions including contracted hours needed to be taken into consideration with any comparative review of pay scales. Members noted the position.

The minutes of the Staff Council meeting held 24 February 2009 were received.

### **6 Recognition, Reflection and Reward Scheme**

Jenny Jerina reported that the scheme had progressed very positively highlighting the scope of staff involvement in the scheme across the College.

Phil Osborne asked how success of the scheme was being determined. Jenny Jerina

explained that the staff development programme was reviewed and evaluated with staff through questionnaires and appraisal.

Keith Bate noted that the scheme had provided a major change in continuous professional development which was now matched to appraisal and mapped against the College strategic priorities. Staff had been encouraged to look at their own development priorities within the context of those of the College.

Phil Osborne enquired about support staff involvement following previous reports on challenges in engagement and provision across a diverse support staff base. Jenny Jerina reported that nearly all support staff had taken up training which had been approached on a more individual and small team basis.

Keith Bate noted that there were clear signs of both participation and engagement across the organisation which would be usefully further evaluated through some case studies. It was agreed that a case studies report be returned to the Performance Review Committee.

**Action:** Jenny Jerina

The report was received.

## **7 Single Equality Scheme**

Jenny Jerina explained that the current revisions to the scheme incorporated no material changes. Following the Single Equality Act passing through parliament the Single Equality Duty would trigger a review of all College equality and diversity policies under the Single Equality umbrella. Jenny Jerina further outlined that underpinning training was beginning to come online.

Members discussed best practice and compliance issues working within the scheme.

The Finance and Resources Committee resolved to approve the updated Single Equality Scheme.

## **8 Review of Revenue Budget 2008/09**

Jacque Carman reported on a stable and robust position. Good performance exceeding Learning and Skills Council contracted levels and additional Learner Support Funding were noted.

Jacque Carman outlined that the current economic downturn was beginning to impact on College trading. Alison Perks asked if there was an adverse impact on catering students. Jacque Carman detailed examples of reduced trading starting with the Business Centre and the College shop. Currently the shop and restaurant had the same levels of customers but with less spend overall. Conversely the College Beauty Salon had reported increased receipts.

Regarding the pay budget, revisions had been made to reflect the contractual levels of work. Non-pay budgets were affected by increased premises costs including utilities and essential remedial work to the remaining areas of Block 0. Additionally rising food

costs were noted.

Members noted that the overall position remained one of a forecast operational surplus within the target range as at 31 July 2008.

The Finance and Resources Committee resolved to recommend to Corporation the approval of the revisions to the Revenue Budget 2008/2009.

## **9 Review of Budgeting Policy**

Jacque Carman introduced the annual review of the policy inclusive of roles and responsibilities and the budget setting timetable.

In discussing Learning and Skills Council funding for the New Diplomas, members requested that the budget should reflect the New Diplomas funding under a separate heading.

Phil Osborne asked if there had been any government policy changes and further asked if the College would be considering Sixth Form designation. Jacquie Carman explained that changes to detail were in the Budget Setting Timetable at Appendix A and Key Budget Headings at Appendix B. Keith Bate responded that under the Apprenticeships, Skills, Children and Learning Bill the College could apply for Sixth Form designation which would be discussed under strategic development considerations at the Corporation meeting scheduled for 16 May 2009.

The Finance and Resources Committee resolved to recommend to Corporation the approval of the revised Budgeting Policy.

## **10 Tuition Fees and Fee Remission Policy 2009/10**

Jacque Carman reported on the historical position on fee charging leading to the Learning and Skills Council expectation of realising a 50% fee element for 2011. For 2009/10 the College assumed fee element stands at £47.5%.

Jacque Carman outlined the considerations raised by the level of fees and the current economic climate with the resulting proposal to band courses according to length but not include an inflationary uplift to the fee increase.

Members noted the revised fee remittance categories and the commitment to support students where possible. In particular members welcomed the introduction of a Progression Pathway Bursary and an application for a Credit License to enable a monthly instalment payment method.

The Finance and Resources Committee resolved to

- agree the proposed rates per course hour for LSC funded courses.
- approve the Tuition Fees and Fee Remission Policy 2009/10 including the introduction of the Progression Pathway Bursary
- approve that the College apply for a Credit License to offer instalment plans as

## **11 Train to Gain Risk Assessment and Contract Performance**

Jacque Carman updated members on overall positive contract performance and success rates, with current on contract performance at Level 2 and over contract performance at Level 3 but under performance on Skills for Life.

Members noted the changed payment method for Train to Gain provision with monthly payments and 25% of funding upon course achievement.

Jacque Carman further outlined that where the College had previously led through a consortia approach, many partners now worked under their own contracts. The College now delivered more of its own provision which effectively reduced risk.

The report was received.

## **12 Funding 2009/10**

Keith Bate reported on the discussions and correspondence that had been undertaken with the Learning and Skills Council to ensure that correct success rates informed the College funding position.

Members noted that the College had continued to deliver above contract for adult learning to support responsibilities to the community and discussed the strength of the 16-18 student base.

The updated position was noted.

## **13 Treasury Management and Investment**

Jacque Carman outlined progress since the last Committee meeting on the spread of investment risk in the current climate. Whilst it had proven to be quite difficult, responses from some institutions had been gained.

In response to questions from Nicholas Ronan, Jacque Carman gave detail on the current risk rating and location of potential investment institutions as outlined in the Treasury Management Policy. Nicholas Ronan suggested that it would be prudent to review the policy as a whole.

The Finance and Resources Committee noted the update and difficulties in making progress with identifying investment options and resolved to

- accept the current level of risk associated with treasury management in the present economic climate and acknowledge that by changing current practice this may increase, noting that the College has established risk management procedures to be followed if the levels of risk escalates outside the risk appetite.

- approve that the Director of Finance and Administration should continue to explore options and share this information with the Chair of the Committee.
- endorse that the Director of Finance and Administration seeks the advice of the College's external auditors on this matter.
- agree that the Treasury Management Policy be revisited and kept under review.
- agree that proposals be considered at the next meeting or that a special meeting of the committee be called if required.

*(Phil Osborne left the meeting)*

#### **14 Loan Tender and Future Borrowing**

Jacque Carman explained that in relation to Block 8, the agreed loan facility with NatWest Bank, approved by the Learning and Skills Council, had not yet been drawn down. NatWest Bank had recently informed the College that they could not honour the agreement and had offered a new arrangement. The new facility would require approval from the Learning and Skills Council.

Members noted that the new offer would be advantageous to the College under current rates. Nicholas Ronan prompted indepth discussion of the College's position relating to fixed and variable rates. The Committee concluded that it would be favourable for the College to draw down in the first instance funding from the fixed rate portion of the loan agreement being offered moving to the variable rate when required.

The Finance and Resources Committee recommend to the Corporation that the College enter into the following arrangements with NatWest for the borrowing of up to £2.5m in accordance with existing borrowing approval from the Learning and Skills Council:

- £1.25m at a variable rate of 1.5% above three month LIBOR
- £1.25m at a fixed rate option based on 1% above the 20 year fixed rate at the point of borrowing

It was further resolved that it be recommended to the Corporation that existing fixed rate loans held by the Corporation be refinanced at the same rate as the new fixed rate loan should this facility be available from NatWest and it be more advantageous than existing terms.

#### **15 Campus Development/Strategic Implications re LSC Funding and Foster Review**

Keith Bate reported that the construction of Block 8 was proceeding, both on time and within budget.

Keith Bate updated members on the national position relating to capital funding, particularly the information released in a statement from the Skills Secretary, John Denham, initiating a review by Sir Andrew Foster.

Keith Bate proposed that a longer term plan for funding capital development be prepared for the Corporation.

The position was noted.

**Action:** Keith Bate

## **16 Review of Procurement Policy and Standing Orders Relating to Contracts**

Jacque Carman explained that as part of the Purchasing Action Plan the College had engaged external consultants and consequently presented revised policy and standing orders which had been updated in order to be legally compliant.

The Finance and Resources Committee resolved to approve the revised Procurement Policy and Standing Orders Relating to Contracts.

## **17 Purchasing Update**

Jacque Carman presented a further report on purchasing as requested by the Committee. The report included a summary of the current position and potential for improvements. Additionally the Purchasing Action Plan had been updated. It was noted that the College continuously explores effective and efficiency measures, benchmarking, sustainability and compliance measures

The report was received.

## **18 Value for Money Annual Report**

Jacque Carman reported performance for the previous year. The objective was to acknowledge that good value was at the heart of good evaluation.

Members noted wide ranging measures to demonstrate achievement of good value for money throughout the organisation. These included student success rates, tender exercises, external advice, socio economic impact and contribution to the local economy, accommodation use and staff employment in addition to the use of the Learning and Skills Council's Efficiency Measurement Model for Further Education (EMMFE) to ensure that tangible measures were being recorded.

Keith Bate related good value for money contributed to the College's strong financial position.

The report was received.

## **19 Functional Plans**

Keith Bate reported strong performance on delivery of the functional plans and that

there were no further risks introduced.

Alison Perks recognised progress on recycling which was more embedded across the institution.

The update on the Functional Plans was received.

**20 Any Other Business**

There was none.

**21 Date of Next Meeting**

The next meeting is scheduled for Tuesday 23 June 2009.

The meeting closed at 7.50pm