

**Meeting of the Finance and Resources Committee held on Wednesday 5 May 2010
 at 5.30 pm in Room B109 at the Science Park Campus**

MINUTES

Present

Barry Popplewell, Chair
 Christopher Spokes
 Rick Dearing

Andrew Herbert
 Paul Smith

In attendance

Chris Lang, VP Finance and Resources
 Charlotte Skinner, Head of Finance

Clerk

Julia Kennedy

A Governors' Briefing on Funding preceded this meeting from 4.30 pm to 5.30 pm and followed on from the Special Meeting of the Corporation held at 4.00 pm.

Preliminary			Action	By
1.	Declaration of Interest	Christopher Spokes declared his interest as a partner in Bidwells, who are acting as CDM for the College.		
2.	Apologies for Absence	Apologies were received from Alex Plant.		
3.	Minutes of the Meeting held on 15 March 2010	The Minutes of the Meeting held on 15 March 2010 were agreed to be a true record and signed by the Chair.	Chair	
4.	Matters arising from the Minutes	In relation to People Targets, Chris Lang reported that HR had now completed 100% of their performance reviews.		

Section 1: Review of Current Performance		Action	By	
5.	<p>F&R/8/09-10 Head of Finance Report on Current Financial Performance, including—</p> <ul style="list-style-type: none"> • College Management Accounts, period 8 2009/10 • ILR and Student Numbers • People Targets Report • Train to Gain Briefing • Financial Breaches and Regulations 	<p>Charlotte Skinner introduced the report on current financial performance. Period 8 Management Accounts showed a full-year forecast surplus of £573,000, which had been held at the same level as the period 6 forecast but could be subject to increase as a result of the Employer Responsive out-turn. The main hits to the contingency continued to be generated by Commercial Operations, Work Based Learning, and Sustainable Development.</p> <p>The full-year forecast for Train to Gain was currently £6.55 million and was expected to achieve the budget of £6.6 million. Although Train to Gain had under-delivered in periods 1-8, there were a large number of starts targets in April. Governors noted that the slow increase in apprenticeships was a sign that the construction sector was beginning to pick up.</p> <p>Governors discussed the briefing that preceded the meeting and the level of the contingency and whether the contingency was being used as a “balancing number”. Governors agreed that they did not want the contingency to be a “sinking fund”, but to provide the flexibility needed in uncertain time. Governors asked about the procedure for calling on the contingency.</p> <p><u>Management Accounts</u> The Management Accounts identified a shortfall in income of £233k against the profiled budget and provided an update on key income areas. Governors discussed the outstanding VAT refund on new build, which was still being considered by HMRC. If the matter was not resolved by next meeting, Governors requested a paper setting out the issues. Chris Lang confirmed that any refund would be to the balance sheet.</p> <p><u>ILR and Student Numbers</u> The risk of claw-back was not high for the current year. Governors asked about other income: this included Response to Redundancy provision [via Employer Responsive], which is expected to over perform. PCDL [Personal and Community Development Learning] provided a low risk to this year, partly associated with recruiting 19+. The whole sector had seen significant drop in that [fee paying] 19+ learners were not coming forward but it was expected to pick up.</p>		

		<p><u>People Targets Reports</u> This report generated a discussion about the information required by Governors and whether information by academy was useful. Governors agreed that a key was required and graphical information would be useful.</p> <p><u>Train to Gain Briefing</u> The briefing covered activity on periods 1 to 8, the Full-Year Forecast, Sensitivity Analysis, including internal delivery and sub-contracted delivery. Some significant shifts had resulted in more sub-contracting and Governors asked whether the aim was to deliver more internally. Governors also asked about risk mitigation and Chris Lang confirmed that much had be learned from the previous year's out-turn.</p> <p>There was nothing to report on financial breaches or the financial regulations.</p> <p>The Committee received the four reports and noted that a report on the VAT refund being pursued would be brought to the next meeting if the matter was unresolved.</p>	CL	30 June 2010
Section 2 – Financial Planning			Action	By
6.	<p>F&R/9/09-10 Director of Finance Report on Financial Planning, to include—</p> <ul style="list-style-type: none"> • LSC Funding Methodology and Allocations 2010/11 • Draft College Budget 2010/11 • College Fees Strategy and Regulations 2010/11 • Benchmarking Data 	<p>The report provided an overview and also covered— Budget timetable, Financial performance history, LSC funding methodology and allocations for 2010, Budget 2010/11, and Benchmarking and strategy.</p> <p>Governors discussed the impact of political change on the budget profile and noted that if the upcoming general election returned a Conservative government that a cut in Train to Gain and a focus on apprenticeship could be expected. A new government may also change the participation age. 16-18 is where the growth is in the College and where most teachers are deployed.</p> <p>Chris Lang aimed to achieve a budget that provides £2 million surplus. Chris highlighted the variances in allocation against last year and identified that the College should be safe in the outstanding category for 2010/11. The capital budget had been downsized to ensure availability of funds for the Hive. Benchmarking demonstrated the College's position and the distance travelled. A £1 million surplus would put the College within the top decile. On International, CRC was ranked 5th in sector, and was a very large player with employers [ranked 13th and at the 4th percentile].</p>		

		The Committee received the report on Financial Planning, noted the LSC Funding Methodology and Allocations 2010/11, noted that a revised version of the College Budget would be brought to the next meeting, approved the College Fees Strategy and Regulations 2010/11, and noted the Benchmarking Data.	CL	30 June 2010
Section 3 – Committee Business			Action	By
7.	Self Assessment of Governor Performance	<p>In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Committee, the Chair asked the following questions—</p> <ul style="list-style-type: none"> • Were the agenda and papers clearly presented? • Was there time for sufficient debate and critical review of each item? • Do members consider that they were able to participate fully? <p>The Committee agreed that it had been a good meeting and endorsed the presentation of the report on current financial performance with a single page cover sheet. Governors' comments on the People Targets report were noted.</p> <p><i>Christopher Spokes left at this point at 7.00 pm.</i></p>		
8.	Any Other Business	<p><u>Capital and Equipment Replacement</u> Governors were concerned about asset management and that capital and equipment replacement should be managed to maintain the present high standard. A replacement cycle of 10 or 15 years would not maintain the standard. Chris Lang confirmed that he was working on a strategic replacement and investment strategy that would incorporate principles and quantify cost.</p> <p>The Committee resolved that the strategy should be brought for their consideration as soon as practicable.</p>	CL	As soon as practicable
9.	Date of Next Meeting	The date of the next meeting was confirmed as 30 June 2010.		

The meeting ended at 7.05 pm.
Julia Kennedy
Clerk to the Corporation

SignedChair

Date.....