

**Meeting of the Finance and Resources Committee held on Wednesday, 28 November 2007 at 5.30 pm in the Principal's Room, Science Park Campus, Cambridge.**

**MINUTES**

**Present**

Barry Popplewell (Chair)      Simon Fairhall  
Christopher Spokes              Rick Dearing  
Vernice Kay

**In attendance**

Chris Lang, VP Finance and Resources  
Andrea Chilton, VP Quality  
Charlotte Skinner, Head of Finance

**Clerk**

Julia Kennedy

<b>Section 1: General</b>			<b>Action</b>	<b>By</b>
<b>1.1</b>	Declaration of Interest	The company of which Christopher Spokes is a director (Bidwells) is acting as Planning Supervisor for the Single Site project. Simon Fairhall is involved with managing a DfES project jointly with the College.		
<b>1.2</b>	Apologies for Absence	Ros Francis was unable to attend.		
<b>1.3</b>	Minutes of the meeting held on 2 July 2007	The Minutes of the meeting held on Monday 2 July were agreed to be a true record and signed by the Chair.		
<b>1.4</b>	Matters arising from the Minutes	[see below]		

	<p><b>Oral Item</b> Functionality of IT Systems</p> <p><b>F&amp;R/02/07-8</b> Protocol Breach of College Financial Regulations</p>	<p><u>Functionality of the IT Systems</u> The Chair requested a short position paper outlining the progress over the last 3 years and comparing the provision in 2007 with 2004.</p> <p><u>Protocol Breach of College Financial Regulations</u> It was agreed that it is necessary to legitimise the practice in relation to bookings or change the practice to comply with the financial regulations. A proposal will be provided to the next meeting of the Committee.</p>	<p>CL</p> <p>CL</p>	<p>Next meeting</p> <p>Next meeting</p>
<b>Section 2: Matters for Decision</b>			<b>Action</b>	<b>By</b>
2.1	<p><b>F&amp;R/03/07-8 (i)</b> Revised Risk Management Policy and Procedure</p> <p><b>F&amp;R/03/07-8 (ii)</b> Termly Review of Financial Risk</p>	<p>2.1 (i) The purpose of this paper is to seek approval of the College's revised risk management policy and the related procedure, and to note the revisions to the Corporate Risk Register.</p> <p>There are two changes to the Risk Register that provide for an aggregated approach to key corporate risks, and for risks to be assessed by a Risk Management Group (RMG). These procedural changes facilitate use of the risk register as a management tool, recording both opportunities and threats and based on best practice. In relation to risk, the roles and responsibilities of the Corporation remain unchanged.</p> <p>Governors discussed—</p> <ul style="list-style-type: none"> <li>• the success of the register in flagging opportunities</li> <li>• how extensively the information is disseminated</li> <li>• whether the name adequately reflects the role of the register</li> <li>• whether the register adequately reflects reality</li> <li>• embedding risk in strategic planning and monitoring processes</li> <li>• criteria for inclusion of risks.</li> </ul> <p>The Committee <b><u>recommended</u></b> the revised Risk Management Policy and Procedure to Corporation.</p> <p>2.1 (ii) The Termly Review of Financial Risk updates the Committee on key financial risks to the College.</p>	<p>AC</p>	<p>4.12.07.</p>

		The Committee <b>agreed</b> to discontinue the requirement for this separate report and that this report is incorporated in the Risk Register.	CL	Immediate effect
2.2	<b>F&amp;R/04/07-8</b> <b>Annual Health &amp; Safety Report 2006/7</b>	<p>The Annual Health &amp; Safety Report is reviewed by the Committee before being considered by the Corporation.</p> <p>Discussion covered whether the increase in students has resulted in an increase in accidents. One factor is increased reporting, rather than increased incidents.</p> <p>The Committee <b>recommended</b> the Annual Health &amp; Safety Report 2006/7 to Corporation, noted the achievements, and asked that congratulations are conveyed to Jeff Moody.</p> <p><i>Andrea Chilton left the meeting. The time was 6.10 pm.</i></p>	CL	
2.3	<b>F&amp;R/05/07-8</b> Establishment of Sub Committee on Corporate Governance (Terms of Reference)	<p>The terms of reference for a Sub Committee on Corporate Governance were drafted in response to the decision by Corporation in July 2007, made on the recommendation of the Search and Governor Development Committee. That Committee do not consider that matters of governance are within their remit.</p> <p>The Committee discussed how governance matters are best debated and managed within the Corporation and its Committees. The Committee considered that governance is a matter that is best referred by the Clerk, when necessary, to the Annual Meeting of Chairs of Committees.</p> <p>The Committee <b>referred</b> this matter back to Corporation.</p>	Clerk	4.12.07.

<p><b>2.4</b></p>	<p><b>F&amp;R/06/2007-8</b>  Single Site Project  1) Minutes of the Estates Working Group, 2 July 2007   2) GMP and decision to place contract   3) Proposal for investment of sales proceed from City Centre Campus and VAT mitigation</p>	<p>The Committee <b>received</b> the Minutes of the Estates Working Group held on 2 July 2007.</p> <p>Detailed design is complete and planning consent received with 2 conditions (and some section 106 matters). The Committee discussed costs, which are now above the figure previously agreed by Corporation. The College is working with Marriott Kier to value engineer the cost closer to the level agreed. The Committee discussed affordability and took into consideration a number of factors including the VAT treatment and opportunities for sponsorship.</p> <p>Chris Lang tabled a paper Investing Newmarket Road Disposal Proceeds and Funding the Single Site Project, and talked through the options. The Committee were concerned to minimise risk. It was agreed that the College would benefit from expert advice in this area, and that Chris Lang would report back to Governors in the New Year.</p> <p>The Committee <b>agreed</b> to report to Corporation in “headline terms” in December, and <b>noted</b> that a full report and recommendations would be received by the Committee on 11 January 2008, which would enable the Committee to make recommendations to Corporation on the same day.</p>	<p>CL</p>	
<p><b>2.5</b></p>	<p><b>F&amp;R/07/2007-8</b>  Review Committee Work Plan 2006/7 and agree Work Plan 2007/8, including Timetable for Management Accounts 2007/8</p>	<p>This paper—</p> <ul style="list-style-type: none"> <li>• enables members of the Committee to review their work and performance for the 2006/07 year</li> <li>• proposes the Work Plan for the Committee for 2007/08</li> <li>• proposes the timetable for the publication of the monthly Management Accounts for 2007/08.</li> </ul> <p>The Committee <b>approved</b> the proposed Work Plan and agreed the proposed timetable for publication of the monthly Management Accounts for 2007/08.</p>	<p>CL</p>	<p>Immediate effect</p>

2.6	<b>F&amp;R/08/2007-8</b> Draft Year-end Statutory Accounts 2006/7 (financial context) including College Management Accounts, Period 12 2006/7	<p>The Committee are required to recommend the financial content of the Statutory Accounts 2006/07 to Corporation; the Audit Committee are expected to recommend the accounts from an audit and compliance point of view.</p> <p>Graphs demonstrate that the College is moving to a position of financial strength, and the Committee requested additional graphs in future reports. A key issue is the impact of FRS 17. The Committee discussed the result and agreed that it is a good end of year position.</p> <p>The Committee <b>recommended</b> the draft year end Statutory Accounts 2006/07 to Corporation and the Chair and the past Chair offered congratulations to Chris Lang.</p>	CL	4.12.07.
2.7	<b>F&amp;R/09/2007-8</b> <b>College Fees Strategy and Regulations 2008/9</b>	This item was deferred.		
2.8	<b>Oral Item</b> College Financial Regulations (breaches and waivers if any)	There were no matters to report under this item.		
2.9	<b>F&amp;R/10/2007-8</b> Governance & Financial Management: SARQ for 2006/7 including Framework for Good Financial Health	<p>The Self Assessment Report Questionnaire (SARQ) is a set of questions that each college must answer in the annual self assessment of the soundness, operation, and effectiveness of their financial management and governance frameworks.</p> <p>This paper—</p> <ul style="list-style-type: none"> <li>• informs the Committee about current guidance to support the College's self assessment of its governance and financial frameworks</li> <li>• seeks approval of the completed SARQ (Self Assessment Report Questionnaire) for 2006/7</li> </ul>		

		<ul style="list-style-type: none"> <li>updates the Finance and Resources Committee on the College view of its own Framework for Good Financial Health.</li> </ul> <p>The Committee <b>approved</b> the completed SARQ for 2006/7, <b>noted</b> the result, and <b>noted</b> the changes in self assessment in the context of the framework for excellence.</p>	CL	
<b>2.10</b>	<b>F&amp;R/11/2007-8</b> Finance & Resources Committee Performance Report 2006/7	<p>This report summarises the work of the Committee for the year.</p> <p>The Committee <b>recommended</b> the Finance &amp; Resources Committee Performance Report 2006/07 to Corporation, subject to minor amendment.</p>	CL	
<b>Section 3: Matters for Information</b>			<b>Action</b>	<b>By</b>
<b>3.1</b>	<b>F&amp;R/12/2007-8</b> Director of Finance Report	<p>The report focused on the changes in LSC funding methodology and also covered the LSC Statement of Priorities and the procurement round 2008/09.</p> <p>The funding changes are a strong indicator of the changing environment. The three emerging funding models are—</p> <ul style="list-style-type: none"> <li>16-18 Model Strategic Commissioning</li> <li>Adult Learner Responsive Learner Accounts</li> <li>Employer Responsive Model.</li> </ul> <p>The Committee considered both the threats and opportunities provided by these changes.</p> <p>The Committee <b>received</b> and <b>noted</b> the report.</p>		

<p><b>3.2</b></p>	<p><b>F&amp;R/13/2007-8</b> Three-year Financial Forecast and Commentary, 2007/10</p>	<p>Outstanding tendering decisions by the LSC meant that the budget could not be agreed by the Committee or the Corporation in July 2007. Instead the Corporation approved a plan that provided for modest growth in turnover and surplus and delegated approval for the 3-year forecast to the Chair of F&amp;R before submission to the LSC. The Three-year Financial Forecast and Commentary 2007/08 to 2009/10 were emailed to Governors on 23 August together with a summary of the revised Income and Expenditure Budget 2007/08.</p> <p>The Committee <b><u>noted</u></b> the information in relation to the Three-year Financial Forecast and Commentary, 2007/10.</p> <p><i>Vernice Key left the meeting. The time was 7.10 pm.</i></p>		
<p><b>3.3</b></p>	<p><b>F&amp;R/14/07-8</b> College Management Accounts, Period 3 2007/8</p>	<p>The position in relation to the Management Account Period 3 2007/8 is comparable to the same period in 2006/07.</p> <p>The Committee <b><u>received</u></b> the Management Accounts Period 3 2007/08 and <b><u>noted</u></b> there are no areas of concern.</p>		
<p><b>3.4</b></p>	<p><b>F&amp;R/15/07-8</b> ILR 2006/7 Update and Student Enrolments 2007/8 against LSC Target</p>	<p>This report updates the Committee with progress towards achieving its activity target for 2006/07 and 2007/08 as demonstrated by the College's ILR returns.</p> <p>The College has a track record of delivering an overall financial value close to the LSC contracted value. In this year, the College may undershoot the financial value the LSC contract but not at a level that is material.</p> <p>The Committee <b><u>received</u></b> and <b><u>noted</u></b> the report.</p>		

3.5	<p><b>F&amp;R/16/07-8 (i)</b> Adult Community Learning Financial Report 2006/7</p> <p><b>F&amp;R/16/07-8 (ii)</b> Outward Collaborative Provision Review of 2006/7 and Termly Report on Franchise Activities 2007/8</p>	<p>These two reports, which are a termly requirement, were considered together.</p> <p>The first reports on the Service Level Agreement between Cambridgeshire County Council and the College for the delivery of Adult and Community Learning provision. The second report advises the Committee on activity against franchise contracts and provides the Committee with the termly review of 2007/08 College franchising activity.</p> <p>The Committee <b><u>received</u></b> and <b><u>noted</u></b> the reports.</p>		
3.6	<p><b>F&amp;R/17/07-8</b> Progress Report on Strategic Objectives 2 and 3</p>	<p>This report provides the Committee with progress against targets for—</p> <ul style="list-style-type: none"> <li>• SO2– to improve recruitment, retention, qualifications and skills; and</li> <li>• SO3—to secure strong student and employer participation in targeted areas of provision.</li> </ul> <p>The Committee <b><u>received</u></b> the report and <b><u>noted</u></b> the progress made.</p>		
3.7	<p><b>F&amp;R/18/07-8</b> College Insurance Levels 2007/08</p>	<p>The Director of Finance presented the Insurance Renewal Report 2007 prepared by the Heath Lambert Group, which provides a summary of the current levels of insurance held by the College. The College has changed its insurance brokers from 1 August 2007 with a saving in the region of £22,070 for the period 2007/08.</p> <p>Cover for the Mason Shop has been removed, standard property damage cover for the temporary construction building is provided at £210,000, and the College has taken the option to buy back the terrorism exclusion.</p> <p>The Committee <b><u>received</u></b> and <b><u>noted</u></b> College Insurance Levels 2007/08.</p>		

3.8	<b>F&amp;R/19/07-8</b> Procurement Quarterly Report (October 2007)	<p>The report was prepared by the Procurement Officer, Noel Cassidy, a new appointment made 5 months' ago. Annualised savings of £200,000 have been made, which include insurance saving. Strategies include reducing the number of suppliers by moving to a preferred supplier solution.</p> <p>Governors discussed whether the savings were tangible or not. It was agreed that the Procurement Officer would provide an annual report to the Committee.</p> <p>The Committee <b>received</b> the Procurement Quarterly Report (October 2007).</p>		
3.9	<b>F&amp;R/20/07-8</b> Annual Environmental Report 2006/7	<p>The College is committed to developing its response to all environmental matters and maintaining environmental awareness within the College. An executive summary of the Annual Environmental Review 2007 was provided to Governors.</p> <p>The Committee <b>received</b> the Annual Environmental Report 2006/07.</p>		
3.10	<b>Strategic Partnerships</b> (as and when there is anything to report)	<p>There were no matters to consider under this heading.</p>		
<b>Section 4</b>			<b>Action</b>	<b>By</b>
4.1	Self-Assessment of Governor Performance	<p>There was concern at the extent of the agenda the volume of business considered by the Committee. Governors considered that the present level of financial stability would enable the Committee to focus at a more strategic level.</p>		

4.2	Any Other Business	There was no other business.		
4.3	Date of Next Meeting:	<p>The date of the next meeting was agreed as 27 February 2008 (changed from 20 February 2008).</p> <p>It was agreed that there should be a 2-week space between each Committee meeting in the calendar for 2008/09. The Clerk was asked to provide a draft meetings schedule in January 2008.</p>	<b>Clerk</b>	<b>Jan 2008</b>
<p>The meeting ended at 7.25 pm.          Julia Kennedy          Clerk to the Corporation</p> <p>Signed .....Chair</p> <p>Date.....</p>				