

**Meeting of the Finance and Resources Committee held on Wednesday 30 June 2010  
 at 7.00 pm in Room B106 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

*The agenda was varied to take Section Two – Financial Planning, first.*

<b>Preliminary</b>			<b>Action</b>	<b>By</b>
<b>1.</b>	Declaration of Interest	Christopher Spokes declared an interest as a partner of Bidwells who are acting as CDM for the College.		
<b>2.</b>	Apologies for Absence	Alex Plant provided apologies for absence.		
<b>3.</b>	Minutes of the Meeting held on 5 May 2010	The Minutes of the Meeting held on 5 May 2010 were agreed to be a true record and signed by the Chair.		
<b>4.</b>	Matters arising from the Minutes	There were no matters arising.		

Section 1 – Review of Current Performance			Action	By
5.	<p><b>F&amp;R/11/09-10 Head of Finance Report on Current Financial Performance, including—</b></p> <ul style="list-style-type: none"> <li>• <b>College Management Accounts, period 10 2009/10</b></li> <li>• <b>Train to Gain</b></li> <li>• <b>ILR and Student Numbers</b></li> <li>• <b>Sub-Contractor Performance</b></li> <li>• <b>Key Corporate Risks 3, 4 and 6</b></li> <li>• <b>Procurement Report (1 February to 31 May 2010)</b></li> <li>• <b>People Targets Report</b></li> <li>• <b>Student Debt Position 2009/10</b></li> <li>• <b>College Financial Regulations</b></li> </ul>	<p>The meeting focussed on the update of the Financial Regulations, which were submitted for approval. At its meeting on 24 February 2009, the Committee had approved the results of a substantive rewrite of the Financial Regulations and subsequently changes were made to the procedure for capital expenditure and the depreciation of capital assets. Approval was sought for changes to the mileage policy [to cover priority use of the college vehicles], tendering, and purchasing.</p> <p>Governors noted that the student debt position was well under control and that Vernice Key had provided feedback on the procurement report. There was increasing confidence in the end of year out-turn.</p> <p>The Committee <b>received</b> the Report on Current Financial Performance and <b>approved</b> the changes to the College Financial Regulations.</p>		
Section 2 – Financial Planning			Action	By
6.	<p><b>F&amp;R/12/09-10 Staff Pay Award</b></p>	<p>The recommendation was to provide all staff with a non-consolidated pay award of 0.5% in the year 1 August 2010 to 31 July 2011. Rick Dearing considered that a key benefit would be recognition and reward for the work of staff across the College. Governors noted that the College had not previously failed to provide at least the AoC recommended AoC pay award, which for the 2010/11 year was a non-consolidated 0.2%.</p>		

		<p>Governors' discussion covered—</p> <ul style="list-style-type: none"> <li>• accountability and impact of public opinion</li> <li>• affordability and impact on the payroll in terms of salary and pension implications</li> <li>• impact on recruitment and retention of the pay award being made to teachers as part of a 3-year agreement</li> <li>• a one-off payment to those below £21,000 in line with government policy</li> <li>• concern at providing an increase in the present economic and political climate</li> <li>• whether one bonus payment rather than a non-consolidated pay award would be more appropriate</li> <li>• whether “a return” could be negotiated with the unions</li> <li>• whether to split the recommendations, ie (1) to implement the AoC recommendation, and (2) to increase to 0.5%</li> </ul> <p>The Committee <b>received</b> the report and recommendations on the staff pay award 2010 and, recognising that while it was affordable there were wider implications to a decision, <b>referred</b> the matter for consideration by the Corporation.</p>	Principal	21 July 2010
7.	<p><b>F&amp;R/13/09-10 Director of Finance Report on Financial Planning, to include—</b></p> <ul style="list-style-type: none"> <li>• <b>College Budget 2010/11 – I&amp;E, Capital and Pay Award</b></li> <li>• <b>Three-year Financial Forecast 2010/11 to 2012/13</b></li> <li>• <b>Asset Management (Capital Equipment Replacement and Updating Plan)</b></li> <li>• <b>Revised Property Strategy</b></li> </ul>	<p>College Budget 2010/11 – I&amp;E and Capital, Three-year Financial Forecast 2010/11 to 2012/13 and Asset Management were considered together. Chris Lang introduced the budget: key features included the flexibility to respond to change, and expenditure of £2m below income.</p> <p>Chris Lang also tabled a paper on Budgeting for Employer Responsive, provided to take account of SFA Guidance Note 4, which had just been issued. Approval was ought to rework the I&amp;E budget on the basis set out in the paper including holding back some international funding to mitigate risk.</p> <p>Governors noted that the payment profile had been decoupled from the delivery profile, and there was the potential for funds that could be deployed in the Learning and Skills Directorate to consolidate or even grow. Essentially there would be more funding and more flexibility in how it was deployed.</p> <p>SFA changes could have the effect of removing contracts from smaller providers and channelling funds through CRC as managing agent or provider. This would enable CRC to accommodate its waiting lists for 19+ apprenticeships.</p>		

		<p>There was also good news in relation to capital: the College was eligible for a grant of £225,000, limited to a third contribution to a capital project. In addition, HMRC were still engaging with the College over a claim to refund the VAT of £2m in relation to the single site project. A positive outcome would add £2m to cash and net current assets.</p> <p>The paper set out the impact of the SmartLIFE Low Carbon Centre on the capital budget, and recommended a reduction in the in-year commitment to that project and an increase of £100,000 in the capital programme for priority capital projects agreed through SMT.</p> <p><u>Property Strategy</u> Both Andrew Herbert and David Adamson had provided comments that would be highlighted for the Corporation meeting. Governors noted that the College has not historically tracked the value of all capital assets and that this will be added to the strategy.</p> <p>The Committee <b>received</b> the draft College Budget 2010/11, the Three-year Financial Forecast 2010/11 to 2012/13, and the Asset Management Plan and <b>recommended</b> them to Corporation subject to modifications to the budget to take account of changes in Employer Responsive funding.</p> <p>The Committee <b>received</b> the Property Strategy, <b>recommended</b> it to Corporation, and thanked Chris Lang for his work.</p>	CL	21 July 2010
<b>Section 3 – Committee Business</b>			<b>Action</b>	<b>By</b>
8.	<b>Finance &amp; Resources Committee Terms of Reference</b>	The Committee <b>approved</b> the Terms of Reference with the amendments incorporated and <b>recommended</b> them to Corporation.	Clerk	21 July 2010
9.	<b>Self-assessment of Committee Performance</b>	<p>In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Committee, the following questions were considered—</p> <ul style="list-style-type: none"> <li>• Were the agenda and papers clearly presented?</li> <li>• Was there time for sufficient debate and critical review of each item?</li> <li>• Do Members consider they were able to fully participate?</li> </ul>		

		<p>The Committee agreed that the information had been presented well, and that the meeting had been well managed in the time available. Committee Members appreciated the pace of the meeting and the concentration on key issues and it was agreed that future meetings should be run on a similar pattern.</p> <p>Governors noted that the next meeting would be after the release of the Comprehensive Spending Review on 20 October 2010, and there would be a need to allocate time in that context to financial planning as well as to the annual review of the Financial Statements.</p>		
<b>10.</b>	<b>Any Other Business</b>	There was no other business.		
<b>11.</b>	<b>Date of Next Meeting</b>	The date was confirmed as 15 November 2010.		

The meeting ended at 8.20 pm

Julia Kennedy  
Clerk to the Corporation

Signed .....Chair

Date.....