

Meeting of the Finance and Resources Committee held on Wednesday 30 March 2011  
at 4.30 pm in Room B109 at the Science Park Campus

MINUTES

Present

Barry Popplewell, Chair  
Anne Constantine  
Nichola Harrison  
Andrew Herbert  
Christopher Spokes

In attendance

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

Clerk

Julia Kennedy

Preliminary			Action	By
1.	Declaration of Interest	Christopher Spokes declared his position as a Partner of Bidwells who are acting as CDM for the College, and Nichola Harrison declared her position as a Councillor in all matters that the County Council and the City Council have an interest in.		
2.	Apologies for Absence	Alex Plant provided apologies for absence.		
3.	Minutes of the Meeting held on 9 March 2011	The Minutes of the Meeting held on 9 March 2011 were agreed to be a true record and signed by the Chair.		
4.	Matters arising from the Minutes	<u>College insurance levels</u> : Chris Lang had received a report that he would circulate to Governors. <u>Contingency/surplus</u> : there had been email discussion between External Governors who, with the purpose of improving the transparency in the use of the contingency, proposed that F&R take a more active role in monitoring its use.	CL	

		<p>Chris Lang explained that the financial regulations set out the process to be followed when a budget manager identified that the budget would not be met, or if emergency expenditure were required. Chris considered that the current business risk was high and some areas would not meet their operational budget. Mitigation included a contingency based on a high level of variance. F&amp;R Members received the management accounts on a monthly basis and, if there were concerns, Chris suggested the frequency of the Committee meetings could be increased.</p> <p>There were no other matters arising from the Minutes.</p>		
<b>Section 2 – Financial Planning</b>			<b>Action</b>	<b>By</b>
<b>5.</b>	<b>F&amp;R/07/10-11 Director of Finance Report on Financial Planning: Budget 2011/12</b>	<p>The paper set out the budget timetable, benchmarking, and the framework for the 2011/12 budget [including cost pressures, savings required, and fees strategy], and capital. Chris Lang confirmed that a combined surplus/contingency of £1.5m was achievable. The 16-18 allocation numbers had just been provided but some parts of allocation had not yet been received, 19+ funding had been merged and the framework was still evolving – delivery must change in response. The “bottom up” cost centre analysis was not complete and there was a need to review risk and challenge once allocations were confirmed.</p> <p>Governors’ questions and comments covered—</p> <ul style="list-style-type: none"> <li>• the replacement strategy for EMAs</li> <li>• was the SMT confident that budget holders could deliver</li> <li>• was more in-house capacity needed or was greater flexibility provided by the use of sub-contractors</li> <li>• importance of increased flexibility</li> <li>• how well was the SMT managing the uncertainties in sources of income</li> <li>• importance of transparency – the need for a monthly monitoring report for the Committee covering pressures on the contingency and mitigating strategies</li> <li>• whether greater transparency would be provided by keeping the contingency as a “separate line”</li> <li>• whether a strategic approach was needed to deal with issues.</li> </ul> <p><u>Fees</u> Fees had been regularly increased without reaching the funding bodies’ target level: there was need to balance increasing fees with retaining market position. Governors’ questions included—</p> <ul style="list-style-type: none"> <li>• who pays fees, contribution to the budget and impact on income</li> </ul>		

		<ul style="list-style-type: none"> <li>• timing of any increase [the July Corporation would be asked to approve fees for 2012/13]</li> <li>• timing of releasing information on fees increase and impact on prospective learners</li> <li>• whether a strategic discussion was required at Corporation: Governors noted that current practice was agreed some years ago and the landscape had changed dramatically</li> <li>• fees for international students and impact of market place [the negotiated contract price was paid in sterling to reduce risk]</li> <li>• part-time fees, which were set in line with government expectations.</li> </ul> <p><u>Capital</u> A detailed bottom-up exercise had been undertaken: the budget required was £1.8m: £600,000 for capital summer works, £450,000 for IT, and £750,000 for energy saving projects.</p> <p>Governors asked about the timing of projects, the approval process, and the criteria including payback period. Governors discussed the impact of energy prices and asked about the investment strategies for curriculum areas, the extent of the flexibility in the in-year capital budget, whether equipment was being updated sufficiently frequently, and the value of benchmarking information.</p> <p>Governors agreed on £1.8m as the overall budget and discussed how those funds would be best deployed to meet strategic aims: support current performance, enable growth and development, and invest to generate savings in the I&amp;E account. The Committee considered the timing of their detailed review and noted that the College could not delay until the scheduled F&amp;R meeting on 29 June 2011 to plan the summer works. Governors therefore agreed that a detailed paper, based on the agreed principles, would be emailed to Governors for comment.</p> <p>Chris Lang identified that further information would be forthcoming in relation to Manor Academy, which may provide the opportunity for capital investment, and options to replace the TCB tent [which has temporary planning permission to December 2012] and in relation to Engineering and D Block.</p> <p>The Committee <b>received</b> the report on the draft College Budget 2011/12, <b>noted</b> the progress against the Budget Timetable and the benchmarked College financial position, <b>approved</b> the proposed budget framework for 2011/12, the proposed Capital Budget as set out in section 6, and the fee proposals for 2011/12. The Committee also <b>noted</b> that more detailed information on the capital budget</p>		
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		would be provided for their review.	CL	As soon as practicable
<b>Section 3 – Committee Business</b>			<b>Action</b>	<b>By</b>
<b>6.</b>	<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.</p>		
<b>7.</b>	<b>Any Other Business</b>	There was no other business.		
<b>8.</b>	<b>Date of Next Meeting</b>	The date was confirmed as 29 June 2011.		

The meeting ended at 6.00 pm

Julia Kennedy  
Clerk to the Corporation

Signed .....Chair

Date.....