



MINUTES OF THE PART 1 MEETING OF THE FINANCE, COMMERCIAL & RESOURCES COMMITTEE HELD 15 MARCH 2012

Present:	Mr P Dubrow	-Chair
	Mr G Charlton	
	H Guntrip	
	Mr P Hannan	
	Ms S Shelton	
In attendance:	Mr J Allen	-Clerk
	Mr M Lumsdon-Taylor	-Director of Finance & Resources
	Ms L Brown	- Vice Principal

The meeting commenced at 09.30.

APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

47. No apologies were received. There were no declared interests against any agenda item.

MINUTES

48. It was **RESOLVED** that the minutes of the Part I meeting of the Committee held 18 November 2011 be approved as a correct record and signed by the Chair.

49. It was **RESOLVED** that the confidential minutes of the Part III meeting of the Committee held 18 November 2011 be approved as a correct record and signed by the Chair.

SUMMARY ACTION LIST & MATTERS ARISING

50. The College report '*Summary Action List*' was received (copy attached to the signed minutes). The following updates were made available:

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	ACTION UPDATE PROVIDED AT MEETING ON 15/3/12
24	Review of fiscal rule to be discussed by Executive and proposal put to next Board strategy day in February:	Governor Strategy Meeting 2/2/12: Fiscal rule – third/third/third MLT to give consideration to the points raised and any changes proposed to the existing Fiscal Rule to be put to the Financial, Resources & Commercial Committee (June 28 th meeting).

29	Update on Fisheries to be given at the next meeting	Progress update was attached to SAL
30	Update on outcome of Capital Grant application to be given at next meeting	The College was unsuccessful in the Capital Grant Application

51. It was **RESOLVED** to note the Summary Action List

PERFORMANCE REPORT

52. The College '*Performance Report*' for periods 1 to 6 was received (copy attached to the signed minutes). The report covered the following:

- College Operations to date (31/1/12)
 - Income & Expenditure Account & balance Sheet
 - Cash flow actual to date
 - Capital expenditure to date
- Projections to 31 July 2012
 - Income and Expenditure projection to 31 July 2012
 - Capital budget projections to 31 July 2012
 - Cash flow projections to 31 July 2012
- Performance Indicators and Risk Assessment
- Appendices
 - Headline management accounts to 31 January 2012
 - Detailed cash flows including projections to 31 July 2012
 - Headline capital reports including projections to 31 July 2012
 - Detailed I&E projections to 31 July 2012

53. The following key points were noted:

- (i) The College is showing a £10,000 surplus against a budgeted profit of £125,000 budgeted for the period (6 months). Associated actions have been implemented and the position is robust at Period 6.
- (ii) Period 7 is indicating a profit of £77k so there has been in-year significant progress.
- (iii) Actual SFA student numbers are 1057 against the allocation of 1050, a positive variance of 7
- (iv) Actual HEFCE student numbers are 621 against the budget of 650, a negative variance of 29. This is though countered by excellent retention of HE students currently at 94%.
- (v) College cash flow remains ahead of planned budget.
- (vi) Revenue capital spend is in line with the agreed budget
- (vii) Overall income is forecast to be £13,000,000 against the agreed budget of £12,571,000, a positive variance of £429k.
- (viii) Total expenditure is forecast to be £12,925,000 against the agreed budget of £12,456,000 a negative variance of £469k. Although there is currently an expenditure variance, expenditure is in line with the stepped budget and the issue is more around timing rather than excessive overspend.
- (ix) Total borrowing stands at £4.5m, 29.5% of College turnover. The College's present fiscal rule is not to borrow above 30% global.
- (x) It was noted that the College has been repaying more than was required on its loans and the bank has agreed to not seek any loan repayments up to and including July 2012. New loan agreement papers have to be signed to reflect this new arrangement and it was **RESOLVED** to authorise the Chairman to sign the documents.
- (xi) The five of the College's financial performance indicators are forecast to be achieved at the year-end 31st July 2012.
- (xii) The Committee reviewed in detail the risk register associated with the College's financial performance and noted the actions being taken to mitigate against identified risks.

54. It was **RESOLVED** to note the Performance Report.

CAPITAL PORTFOLIO

55. The College report '*Capital Portfolio*' was received (copy attached to the signed minutes. The report provided the Committee with a progress update on all current capital projects (Including Sports development):

- Canterbury
- Mottingham
- Maidstone
- Cozenton project
- Court Lane Nursery
- Detling project
- Grove Farm
- Farm Shop at Marchant's Farm
- Dover/Betteshanger
- Sports development
- Other key Projects & Partnerships

56. It was **RESOLVED** to declare the discussion and resolution on Dover/Betteshanger confidential and to record these minutes separately.

57. To support the Capital Portfolio Report, the Director of Finances and Resources made available a presentation that covered the following elements of the College Campus Priority Works:

- Northbourne Refit
- Sport
- Students Union
- Farm Complex

Northbourne Refit:

58. Due to limited capital funds being available, the proposal is to phase the refit into 6 phases and to prioritise the phases for completion as and when funding becomes available. The total cost of all 6 phases is estimated at £995,000. Priority phases for this summer are Phase 4 Roof works at a cost of £100k and Phase 5 the Library refit at a cost of £325k In addition there is a cost of £125k for fittings and fixtures. The total cost of Phase 4 and Phase 5 is £550k and this would be funded through available reserves.

Sports:

59. An update was made available on the planning process and it was confirmed that no decisions are being sought at this meeting. Costs and options will be further considered and presented to the June meeting.

Student Union

60. The proposal is to erect a new build behind Pinetrees. Modelling designs and costings approval will be brought to the June meeting of the Committee.

Farm:

61. To meet legal requirements a new slurry lagoon is required. In addition a new cow housing is required and a permanent classroom structure to replace the mobile. The slurry lagoon cost is circa £100k before government grants and the Cow Housing is at a cost of £150k with grants available up to £30k. It was confirmed that farm developments will be funded on a commercial basis in terms of loan finance repayable as a proper commercial entity and segment of the business.

62. Under the farm discussion, an update was provided on the College's response to the email circulated to various organisations and individuals under the title 'Hadlow Matters'. The Committee fully endorsed the actions being taken by the College.

63. Following the conclusion of the presentation, and after debate and discussion, it was **RESOLVED**:

- (i) For a similar presentation to be made available at the Board meeting on 29th March 2012;
- (ii) To recommend that the Board approves capital expenditure of £550k to complete Phase 4 and Phase 5 of the Northbourne refit;
- (iii) To note the updates made available on Sports and the Students Union;
- (iv) To recommend that the Board approves the proposed capital works on the farm (slurry lagoon, cow shed, and new permanent classroom) ; and
- (v) To note the report.

64. The Capital Portfolio Report provided the Committee with a progress update on the Greenwich Equestrian Centre and it was **RESOLVED** to approve the Greenwich partnership long-term peppercorn lease agreement that supports the project.

TUITION FEE POLICY AND FEES 2012/13

65. The College report '*Tuition Fee Policy and Fees 2012/13*' was received (copy attached to the signed minutes). The policy sets out the proposed fees for full-time 16-18 years olds, full-time 19+, full time overseas students, full-time accommodation fees; fees for registration and examinations; full-time compulsory fees and a range of part-time fees.

66. It was **RESOLVED** to recommend that the Board at its meeting on 29st March 2012 approves the '*Tuition Fee Policy and Fees 2012/13*'.

ANNUAL REVIEW OF THE COLLEGE'S FINANCIAL REGULATIONS

67. The College report '*Annual Review of the College's Financial Regulations*' was received (copy attached to the signed minutes). Amendments to the Financial Regulations included a reference to the Bribery Act, and updates relating to employment of staff; fixed assets; primary budget holders; cost centre list; and cheque signing authority.

68. It was **RESOLVED** to approve the amendments to the Financial Regulations

TENDERS

69. The College termly report '*Tenders*' was received (copy attached to the signed minutes). The report confirmed that there have been no tenders in excess of £50k that require reporting to the Committee. For information purposes the tendering

report included a copy of the College report on 'Data Collection, Reporting and System Strategy' which will require at a later stage tendering.

70. It was **RESOLVED** to note the report.

HUMAN RESOURCE EXCEPTION REPORT

71. The Committee received the termly '*HR Exception Report*' (Copy attached to the signed minutes). The report informed the Committee on the number of joiners and leavers; provided an update on pay and benefits; Teachers Pension Scheme; Institute for Learning Membership; safeguarding; and current disputes.

72. It was **RESOLVED** to note the report.

HEALTH & SAFETY

73. The Committee received the following reports (copies attached to the signed minutes):

- H&S Termly Report
- Minutes of the H&S Committee held 8th November 2011.

74. The Committee welcomed the new reporting format for the termly report and it was **RESOLVED** to note the H&S termly report.

MONITORING OF COLLEGE PERFORMANCE

75. The College report '*Monitoring of College Performance*' was received (copy attached to the signed minutes). The Committee is responsible for making assessments in the two areas of finance & estates; and staff & human resources.

76. Against the 14 agreed performance indicators for the area of finance & estates, three amber assessments were proposed (cash generated in year; forecast out-turn against the budget; and pay expenditure as a % of income). All other assessments proposed were green. In discussion the Committee noted the significant improvement in the financial position as confirmed in period 6 Management Accounts and in an initial analysis of period 7 Management Accounts

77. Against each of the 11 agreed performance indicators for the area of staff & human resources, all assessments proposed were green.

78. It was **RESOLVED** to inform the Board of the following assessments:

Finance & Estates	No Risk/No Concerns
Staff & Human resources	No Risk/No Concerns

DATE OF NEXT MEETING

79. Thursday 28 June 2012 @ 09.30

The meeting closed at 11.45.

Signed: _____ Date: _____
(Chair)

