



HADLOW  
COLLEGE

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## MINUTES OF THE OF PART 1 MEETING OF THE FINANCE, COMMERCIAL & RESOURCES COMMITTEE HELD 18 NOVEMBER 2011

Present:	Mr P Dubrow Mr G Charlton H Guntrip Mr P Hannan	-Chair
In attendance	Mr M Lumsdon-Taylor Ms L Brown Mr D Blythe	-Director of Finance & Resources - Vice Principal -Baker Tilly

The meeting commenced at 09.30.

### APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

1. Apologies were received from Mrs S Shelton and Mr J Allen. Mr P Dubrow declared an interest in the possible sports hall development but as no decisions were being proposed for consideration at this meeting it was agreed to record the interest only. There were no other declarations of interest against any agenda item.

### COMMITTEE TERMS OF REFERENCE

2. Tabled for information purposes was the Committee's Terms of reference (copy attached to the signed minutes)

### MINUTES

3. It was **RESOLVED** that the minutes of the meeting of the Committee held 24 June 2011 be approved as a correct record and signed by the Chair.

### SUMMARY ACTION LIST & MATTERS ARISING

4. The College report '*Summary Action List*' was received (copy attached to the signed minutes).

5. It was confirmed that the only action point was for the Committee to review the financial objective of a third of income being generated from commercial activities, a third from FE and the remaining third from HE. It was confirmed that this will be discussed under agenda item 6 – Financial Performance Report.

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

### ANNUAL HUMAN RESOURCE REPORT 2010/11

7. The College report '*Annual HR Report 2010/11*' was received (copy attached to the signed minutes). The HR manager presented the report.

8. The report provided a detailed commentary on:
- College structure
  - Staff turnover
  - Staff profile – age, gender, ethnicity, disability and length of service
  - Absence
  - Staff disputes
  - Staff development
  - Benchmarking Data
  - Future Developments & Initiatives
9. The Committee noted the thoroughness of the report and noted the following key points:
- (i) Staff turnover was at 25% against the average for South East Colleges of 15% (AoC figure). The increase in staff turnover was as a direct result of the staffing cuts carried out in response to the Comprehensive Spending Review. Excluding staff who was part of the redundancy programme, turnover would have been at 18%.
  - (ii) There continues to be an even distribution of the age profile amongst college employees.
  - (iii) There are more female staff compared to male (198/93).
  - (iv) Non-white staff is 2.7% and non-white British is 4.8% (compared against Kent & Medway data of 3.5% and 6.1% respectively).
  - (v) The average number of days sick per employee was 6.94 days this year and is more than 2 days per employee lower than the national average. This is recorded using the Bradford system.
  - (vi) There were no formal disputes arising from the restructure.
  - (vii) One claim of unfair dismissal was heard by an Employment Tribunal who ruled in favour of the College.
  - (viii) There is currently one disciplinary issue subject to the disciplinary procedure.
10. Discussion took place regarding the way the staff development programme is measured and reported to show its effectiveness

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

## **FINANCIAL STATEMENT AND YEAR END ACCOUNTS 31 JULY 2011**

12. The '*Financial Statements and Year End Accounts 31 July 2011*' were received (copy attached to the signed minutes). In attendance was Mr D Blythe (Baker Tilly). Attached to the accounts was the '*Audit Findings Report*' that will be considered by the Audit Committee.
13. The College achieved a strong operational surplus for 2010/11 the 9<sup>th</sup> year of a consecutive operating surplus. The draft accounts confirm a College operating surplus of £23k prior to costs relating to the property strategy with College reserves of £11,155,000.
14. The '*Audit Findings Report*' confirmed an unqualified opinion on both the financial statements and regularity audit with one control point
15. The strength of the balance sheet with regard to solvency was noted.
16. Baker Tilly specifically noted the strength of the finance team, in particular Gurpreet Sehmi, in working with them on the Financial Statements and Year End accounts.

17. It was **RESOLVED** to recommend that the Board at its meeting on 15 December 2011 approves the College's 'Financial Statement and Year End Accounts 31 July 2011'

## **STUDENT ASSOCIATION AND SOCIAL CLUB ACCOUNTS**

18. The Committee received and noted audited accounts for Hadlow College Student Association and Hadlow College Social Club (copies attached to the signed minutes).

19. Questions were again about the viability of the Social Club with a recorded loss of £6,105. This follows a loss of £8,130 recorded for the previous year. The Committee sought confirmation on how the deficit is being carried and what actions are being taken to ensure at least a break-even position for the College.

20. It was reported that there has been an issue with the level of staffing, which is now being addressed following the resignation of the bar manager. The aim of the social club is to provide enrichment and student experience rather than to make a profit and therefore the college will underwrite the debt of the social club.

*(Mr D Blythe left the meeting at this point)*

## **PERFORMANCE REPORT**

21. The College 'Performance Report' for periods 1 & 2 was received (copy attached to the signed minutes). The report covered the following:

- College Operations to date (30/9/11)
  - 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 30 September 2011
  - 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

22. The following key points were noted:

- (i) The College is showing a £18,000 loss against a £12,000 profit budgeted for the period (2 months). Associated actions have been implemented to move the position to profit at Period 2.
- (ii) College cash flow remains ahead of planned budget (£353k).
- (iii) Revenue capital spend is in line with the agreed budget
- (iv) Total borrowing stands at £4,6m, 29.5% of College turnover. The College's present fiscal rule is not to borrow above 30% global.

23. It was noted that the % of FE income stands at 44% which is above the fiscal objective of one-third. As recorded on the Summary Action List, the Committee has been asked to review the fiscal objective of there being 1/3<sup>rd</sup> income from commercial, 1/3<sup>rd</sup> from FE, and 1/3<sup>rd</sup> from HE.

24. Following review of the fiscal rule, the Committee agreed that this should be discussed by the Executive and a suggestion put forward to the Board Strategy day in February 2012.

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

## **ESTATES COMMITTEE**

26. The minutes of the Estates Committee held 14<sup>th</sup> October 2011 were received and noted (copy attached to the signed minutes). Since the meeting it was confirmed that written confirmation of planning permission for Maidstone has been received.

27. It was **RESOLVED** to note the minutes of the Estates Committee meeting held 14<sup>th</sup> October 2011.

## **CAPITAL PORTFOLIO UPDATE**

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

- Canterbury
- Mottingham
- Maidstone
- Cozenton project
- Court Lane Nursery
- Detling project
- Dover/Betteshanger
- Other key Projects
- Commercial Operations

29. The Committee noted the update made available on the fisheries commercial operation. It was identified during the summer that a number of key tasks had not been completed by the management of the Lake Complex. Following the resignation of the Fisheries Manager in September, the decision was taken to close the fishing complex. A loss of £30k had been made by the Complex in 2010/11. The report outlined the actions being taken to address the issues with it confirmed that the commercial development of the 'Fish Farm' will be subject to further review in the Business Planning Cycle 2012/13. It was confirmed that the situation is being monitored bi-monthly by the Executive and a further update will be given at the next meeting. A suggestion was made to contact the Worshipful Company of Fisheries as they may have funds available.

30. The Committee were informed that a Capital Grant for the development of Northbourne has been submitted to the SFA. The results of the application will be known on 7<sup>th</sup> December 2011 and a progress update would be made available at the next meeting.

31. The Committee noted the outcomes of the 2<sup>nd</sup> RGF bid, and the proposal for the next steps.

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

## **TENDERS**

33. The College termly report '*Tenders*' was received (copy attached to the signed minutes). The Committee received details of all tender outcomes with confirmation that the College's Financial Regulations were followed.

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

## HEALTH & SAFETY

35. The Committee received and noted the Health & Safety termly Report November 2011.

36. The Committee were informed that a revised reporting system has been implemented following the tragic death of an equine student in October, in particular the management of Health and Safety, a reorganised membership of the committee and an action plan.

37. During the discussion around this topic, it was stressed that the focus should be on the students. All systems need to be looked at in particular web based reporting, to make all information accessible and useful.

## MONITORING OF COLLEGE PERFORMANCE

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

39. Against the 14 agreed performance indicators for the area of finance & estates, four amber assessments were confirmed for operating surplus as a % of income; forecast year-end against set budget; creditor day;, and pay expenditure as a % of income.

40. Against all the 9 agreed performance indicators of the area of staff & human resources, green assessments recording no concern were confirmed.

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

Finance & Estates	<b>Some Risk/Some Concerns</b>
Staff & Human resources	<b>No Risk/No Concerns</b>

## DATE OF NEXT MEETING

42. Thursday 15th March 2012 @ 09.30

The meeting closed at 12.00.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Chair)

## CURRENT F&GP SUMMARY ACTION LIST

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	REVIEW DATE
24	Review of fiscal rule to be discussed by Executive and proposal put to next Board strategy day in February	15/3/12
29	Update on Fisheries to be given at the next meeting	15/3/12

30	Update on outcome of Capital Grant application to be given at next meeting	15/3/12
	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 <sup>th</sup> meeting).	28/6/12