



MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD 17 MARCH 2011

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

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

MINUTES

53. It was **RESOLVED** that the minutes of the Part I meeting of the Committee held 12 November 2010 be approved as a correct record and signed by the Chair.

54. It was **RESOLVED** that the confidential minutes of the Part III meeting of the Committee held 12 November 2010 be approved as a correct record and signed by the Chair.

SUMMARY ACTION LIST & MATTERS ARISING

55. 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 PROVIDED AT MEETING ON 17/3/11	UPDATE AT MEETING
119(v)	The budget incorporates a pay award for 2010/11 but no decision for the Board to consider and approve on the amount of the award will be made until the outcomes of national pay negotiations are known.	As confirmed in the exceptional HR report that is an agenda item, 0.2% pay award as agreed by the AoC has been awarded to staff.	
17	It was agreed that if there is no indication of an improvement in the year-end forecasts then a special meeting of the Committee should be held early in the new year.	Meeting not required – Special Board meeting was held 3/3/11	
23	To check with Maidstone Borough Council	Confirmation of where	

	where the Section 106 money is to go. (Direct to "Fant") – deprived area.	the money is to be allocated was made available and attached to the SAL.
30	In light of the CSR, the fiscal rule of borrowing no more than 30% of turnover should be subject to review with a target of 25% being considered.	Subject to on-going review
35	To defer the presentation on design language of Northbourne redevelopment to the next meeting of the Estates Committee.	Subject to discussion at the Estates Committee meeting held 3/2/11
44 (iii)	To keep the Committee informed on Broadview tearoom developments;	Update made available and attached to the SAL.

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

PERFORMANCE REPORT

57. 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 (31/1/11)
 - Income & Expenditure Account & balance Sheet
 - Cash flow actual to date
 - Capital expenditure to date
- Projections to 31 July 2011
 - Income and Expenditure projection to 31 July 2011
 - Capital budget projections to 31 July 2011
 - Cash flow projections to 31 July 2011
- Performance Indicators and Risk Assessment
- Appendices
 - Headline management accounts to 31 January 2011
 - Detailed cash flows including projections to 31 July 2011
 - Headline capital reports including projections to 31 July 2011
 - Detailed I&E projections to 31 July 2011

58. The following key points were noted:

- (i) The College is showing a £68,000 loss against a profit of £125,000 budgeted for the period (6 months). Associated actions have been implemented to move the position to profit for the year end as outlined in detail in appendix 5 of the College report.
- (ii) Actual SFA student numbers are 914 against the allocation of 906, a positive variance of 8
- (iii) Actual HEFCE student numbers were 586 against the budget of 580, a negative variance of 6.
- (iv) College cash flow remains ahead of planned budget.
- (v) Revenue capital spend is in line with the agreed budget
- (vi) Overall income is forecast to be £13,041,000 against the agreed budget of £13,174,000, a negative variance of £133k.

- The significant income variances being school income (-£60k) and part-time fees (£-140k). This was discussed in depth.
- (vii) Total expenditure is forecast to be £13,031,000 against the agreed budget of £13,024,000, a negative variance of £7k.
 - (viii) The year-end forecast of an operating surplus of £10k against the budget of £150k, a negative variance of £140k. After taking into account net commercial activities, the net college profit is projected at £100k against the budget of £250k, a negative variance of £150k.
 - (ix) Total borrowing stands at £4.6m, 29.5% of College turnover. The College's present fiscal rule is not to borrow above 30% global.

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

COMPREHENSIVE SPENDING REVIEW

- 60. The College report '*Comprehensive Spending Review*' was received (copy attached to the signed minutes). The report was presented and approved at the Special Board meeting held 3 March 2011.
- 61. As confirmed in an email recently sent to all governors, the Principal reported on the commencement of the consultation period.

The budget for 2011/2012 will incorporate the review of the expanded tier of management and CSR.

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

ESTATES COMMITTEE

- 63. The confidential minutes of the Estates Committee held 3 February 2011 were received and noted (copy attached to the signed minutes).

CAPITAL PORTFOLIO

- 64. 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

65. The following points were noted from the minutes of the Estates Committee held 3rd February 2011 on the Betteshanger Project:

- Phase 1 & Phase 2 of the feasibility studies have been completed with feasibility funding from KCC fully utilised.
- There will be no further financial support from KCC.
- There is widespread political support from key players.
- A bid in the region of £21m has been made to the Regional Growth Fund. If the grant application is not successful the Steering Group will have to meet to consider available options
- The supply analysis showed that courses proposed to be run from Betteshanger are not delivered at any other institution in the South East, therefore there is no direct competition.
- Student number projections were made available over 6 years based on the delivery of 10 FE/HE courses of which 5 are already being delivered by the College and the remaining 5 are around sustainability which meets government priorities. Mr T Evans informed the Committee that a conservative approach was being taken on projection of student numbers.
- Projections confirmed 469 students for year 1 rising to 1,134 in year 6.
- The Committee welcomed the detail of the analysis of student projections and Members felt more assured on the forecasts.

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

FINANCE & ESTATES POSITIONING PAPER

67. The College report '*Finance & Estates Positioning Paper*' that was presented to the Estates Committee that met on 3rd February 2011 was received (copy attached to the signed minutes).

68. The College's capital investment is predicated on the use of Maidstone funds and the College's ability to generate a surplus. Projected specifics, including sport, will be targeted through PFI and specific grants. Future capital funding will remain extremely restricted for the next 3 years or so. (Note: Concern regarding the sale of future properties).

69. The F&GP Committee noted the following resolutions from the meeting of the Estates Committee:

- (i) To receive at the June meeting of the Estates Committee a summary of priorities from the Master Plan;
- (ii) To receive a more detailed cost proposal for the development of Northbourne and the building of the Sports Hall; and
- (iii) To explore PFI options for the Sports Hall.

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

TUITION FEE POLICY AND FEES 2011/11

71. The College report '*Tuition Fee Policy and Fees 2011/12*' 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. It was confirmed that the fees proposed for 2011/12 takes into account the fee assumption from the SFA for a 50% contribution from learners or there sponsors.

72. It was **RESOLVED** to recommend that the Board at its meeting on 31st March 2011 approves the '*Tuition Fee Policy and Fees 2010/12*'.

ANNUAL REVIEW OF THE COLLEGE'S FINANCIAL REGULATIONS

73. The College report '*Annual Review of the College's Financial Regulations*' was received (copy attached to the signed minutes). It was **RESOLVED** to approve the following amendments:

- (i) To the EU tendering regulations
- (ii) To the depreciation rates – Including implementation In Year of the change to Fixed Asset Depreciation Policy.

TENDERS

74. The College termly report '*Tenders*' was received (copy attached to the signed minutes). The report confirmed details of the three tenders currently being pursued (audit services, insurance, and utilities)

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

HUMAN RESOURCE EXCEPTION REPORT

76. 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 (discussion had on the legal implications of enforcing the IFL £68 change); safeguarding; and current disputes.

77. There are currently 3 disciplinary cases in progress, all of which relate to safeguarding. A formal grievance was submitted by a member of the teaching staff relating to the implementation of the lesson observation protocols and the College procedure for hearing the grievance has been followed. A claim has been submitted by an ex-employee for unfair dismissal to an Employment Tribunal.

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

HEALTH & SAFETY

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

- H&S Termly Report
- Minutes of the H&S Committee held 16 February 2011.

80. It was **RESOLVED** to note the H&S termly report.

MONITORING OF COLLEGE PERFORMANCE

81. 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.
82. Against the 15 agreed performance indicators for the area of finance & estates one red assessment was confirmed for the operating surplus. In addition four amber assessments were made on cash generated, forecast year-end outturn, current assets to liabilities ratio, and cash days in hand. (Note: Review objective 7: Borrowing % in light of turnover reductions.
83. Against the 11 agreed performance indicators of the area of staff & human resources, one amber assessment was recorded against current employment disputes. Also, employment disputes (Tribunal) (Amber) not disciplinary cases.
84. It was **RESOLVED** to inform the Board of the following assessments:

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

DATE OF NEXT MEETING

85. Thursday 23 June 2011 @ 09.30

The meeting closed at 11.00.

Signed: _____ Date: _____
(Chair)