

**Minutes of the Estates and Finance Committee Meeting held on Monday 29 June 2009  
at 6.00 pm in Conference Room 2 of The Astral Centre**

**Members present:**

Ken Applegate: Corporation Member  
Russell Baxter: Staff Corporation Member  
Kevin Howes: Corporation Member  
Gwen Parsons: Principal  
Richard Perkins: Chair/Corporation Member

**In attendance:**

Teresa Miller: Vice-Principal  
Julie Roper: Head of Finance  
Jeff Tebbutt: Director of Estates  
Marc Wild: Health and Safety Manager  
Charles Reynolds: Clerk to the Corporation

**Apologies for Absence**

Apologies for absence had been received from Bob Mee and Ron Stainsby.

**1. Conflict of Interest**

There were no conflicts of interest relevant to the agenda items.

**2. Minutes of the Previous Meeting**

The minutes of the Estates and Finance Committee Meeting held on 11 May 2009 were agreed to be a correct record and were signed by the Chair, subject to the following amendment.

Pg 4 and agenda item 7. Heading to read 2009 and not 2008.

**3. Matters Arising and Not Agenda Items**

**3.1. Health & Safety Policy (previous agenda item 5b.)**

The Clerk confirmed that the required amendments to the policy had been made and that Corporation had accepted the Committee's recommendation to approve the policy.

**4. Correspondence**

**4.1. Letter from the LSC Regarding the Further Education Capital Programme**

This confirmed that the College capital project was not one of the thirteen selected to proceed. The Principal expressed disappointment at the decision. This view was endorsed by committee members.

**5. Health and Safety Update**

Presented by Marc Wild, who took members through a very detailed report. Key items reported on included a very successful recent site visit by Environmental Health Officers who had been impressed by the excellent practices in both the main kitchens and

**Action**

nursery kitchens. The fact that the most recent LSC Health and Safety visit had identified College procedures as examples of best practice and that, with some additional work, the College could become one of only two in the country to achieve an 'Excellence' grading. Currently the College was graded 'Good'. That the College Business Continuity Plan had been revised and now included a Staff Continuity Plan with respect to Swine Flu. And finally that the College had received a ROSPA Silver Award for Occupational Health and Safety.

Members thanked Marc Wild for his very detailed report and for the superb work he had, and was continuing to, put in to making the College a safe and healthy place to work.

## **6. Estates Update**

Jeff Tebbutt briefed members of the key activities of his section that had taken place since his previous report in May. With respect to the Sir Christopher Cockerell Centre, it was confirmed that the new automatic opening doors would be fitted in the next two days. These would be paid from the retained money. There was still an ongoing issue regarding water temperature but this was also close to being resolved. The firm responsible for the system, John Slater and Howard would, according to Jeff Tebbutt, cover the cost of necessary work.

Members were also provided with details of planned maintenance activities planned for the summer shutdown period. They were also briefed on developments with the College centralised purchasing system, progress made in selling services to outside organisations and the outcome of a recent tendering exercise for the supply of groceries and provisions.

On this last point, members asked for details to be set out in a clearer format.

**Jeff  
Tebbutt**

In discussion, it was agreed that an arrangement to provide services to local schools was a good idea. However, the schools should be made aware of any form of payment received by the College from suppliers providing goods or services to schools.

**Jeff  
Tebbutt**

At this point Teresa Miller advised members that both Jeff Tebbutt and John Kemp had given up their bank holidays to work on recosting the capital project and in order to meet LSC's very tight deadlines. It was also reported contractors had supported this exercise as well. Jeff Tebbutt added that this exercise would help in that he had a much clearer idea of what the College would need to spend in maintaining buildings.

Responding, the Chair asked for the thanks of the Committee to be expressed to both Jeff Tebbutt and John Kemp.

**Clerk to the  
Corporation**

## **7. One-Year Operating and Capital Budgets 2009/2010**

Presented by Teresa Miller who advised that the College was required to prepare an operational budget which in turn was incorporated into the three-year financial forecast. Referring to the meeting paper and specifically page 2 where the proposed budgets were outlined, members were given a line by line explanation for each budget heading. Key headlines were that overall income was projected to be reduced, with concerns on LSC funded 16-19 activity and ESF co-financed activity. Higher Education income was seen as an area for growth and it was stressed that the College would need to manage student numbers carefully. With regard to expenditure areas of concern related to staff costs where it was anticipated there would be a 1% sector pay award. So far in the preparation of the budget £300,000 had been taken out of this budget line. It was the Principal's view that further reductions, as much as £500,000, would be needed. Reasons behind this assumption were outlined.

Turning to Non-Pay costs, members were advised that these had really been trimmed back and it was acknowledged that it was best to do this now rather than later. It was identified that control of non pay costs had been good in the past and it would be essential to maintain this disciplined approach for next year. Taking the above into account the projected surplus was £259,000.

With regard to the capital budget Teresa Miller advised that, because of the outcome of the capital project bid not being approved there would be the need for the College to carry out some work and would have to find the funding to carry this out. As an example reference was made to the wavy roofed building, which would need to be demolished and the priority of finding a new location for the engineering workshop. Therefore, significantly the capital budget will have to be used to fund this necessary work. Members discussed various ways that the existing College premises could be used to accommodate Engineering.

In the absence of any further discussion and subject to amendment it was proposed by the Chair and seconded by Kevin Howes that the one-year operating and capital budgets to be recommended to Corporation for approval.

Members voted unanimously in favour.

## **8. Management Accounts to 31 May 2009**

Presented by Julie Roper. Members were taken through the very detailed meeting paper with care. Julie Roper was pleased to report that the College finances were in a much better state than had been reported at the last meeting.

With reference to the key fundings in the executive summary which identified variances for both income and expenditure, together with explanations, Julie Roper reviewed the Income and Expenditure Account, Balance Sheet and Cash Flow. It was identified that the costs associated with the redevelopment were now showing as a separate line in the Income and Expenditure Account. On this last point, and following discussion, it was agreed that letters of thanks be sent to all consultants and contractors thanking them for their support.

Teresa Miller advised that as the cash flow situation was healthier a decision had been taken to reduce the level of overdraft facility to £200,000. This situation would be monitored. There was, however, the issue of the repayment of the loan to consider. Regarding the Debtors list there was discussion on the level of outstanding debt involving one debtor that had recently a history of slow payment. Members requested an investigation to see if there was anything the College should be concerned about.

The risk register and key performance indicators were also reviewed. Julie Roper advised that members should treat the accounts with a degree of caution as there were still expenses to be paid. Teresa Miller added that a further approach had been made to the LSC for additional fee support regarding the capital project.

Having thoroughly reviewed the accounts it was proposed by Ken Applegate and seconded by Russell Baxter that they be recommended to the Corporation for approval.

Members voted unanimously in favour.

Before moving on, and with reference to the cash flow, members felt it was important to guide Corporation with regard to the outstanding loan of £800,000 due for repayment in November. If this was repaid in full, it would have a significant impact on College finances. However, the situation would be much more manageable were the College to seek out another loan to cover the repayment especially if this could be negotiated over

**Clerk to the  
Corporation**

**Teresa  
Miller**

a five- or six-year period. This would make repayment more affordable.

Members discussed the situation in detail and recognised the merit of seeking a new loan. To this end it was proposed by Ken Applegate and seconded by Kevin Howes that a recommendation be made to Corporation to negotiate a new loan at the best possible rates for the College.

Members voted unanimously in favour.

Members thanked Julie Roper for the report.

## **9. Work Based Learning and Train 2 Gain Update**

Presented by the Principal who acknowledged the work of Katy Cassidy, Head of Work Based Learning and Train 2 Gain, who had worked really hard with her team to get systems and data correct and fit for purpose.

Details were provided on College performance to date for each element. The Train 2 Gain consortia was being reviewed to ensure each partner was contributing well to the arrangement. Actual performance was compared with target performance data. There was a predicted success rate of 85% which the Principal felt could be increased to 90%.

Work Based Learning performance was also reviewed against target. There had been an under recruitment 16-19, however, overall the framework success rate was well above the national rate at 75%.

Finally details were provided on the financial contribution made to the overall college budget from both areas of activity. The Maximum Contract Value for 16-19 apprentices was £1.5 million, for adults £370,000 and for Train 2 Gain £490,000. The Principal advised the College was confident of achieving these figures.

Members thanked the Principal for the report which was received.

## **10. Review of Committee Effectiveness**

The Clerk advised members that, as part of the overall Corporation Self-Assessment Process, each committee was required to review its effectiveness over the last twelve months against a standard set of criteria and with reference to the relevant terms of reference.

With reference to Appendix A of the meeting papers, members' responses were as follows:

**10.1.** Members felt overall the terms of reference were appropriate. There was a discussion about whether a regular report on Health & Safety and Estates meant too much operational information was being produced. It was felt that reporting by exception would be more appropriate for these areas. It was agreed that the Head of Finance should be added to the list of those in attendance. It was also agreed that the terms of reference should acknowledge the importance of monitoring cost efficiencies.

**10.2.** Members believed the terms of references had been met.

**10.3.** Referring to the discussion earlier regarding Health & Safety and the Estates Update, members felt the annual performance needed to ensure all items were being dealt with at an appropriate level. In general, however, the annual programme had worked well.

**10.4.** It was noted that it had been necessary to add an extra meeting in the current year. However, the proposal to have five meetings per year was seen as appropriate.

**10.5.** Members were happy that the membership of the committee was right.

**10.6.** Members were happy with the system of reporting to Corporation on the workings of the Committee.

**10.7.** There were no concerns regarding clerking or chairing. There was a view that quoracy for meetings should be extended to include 'key' members currently deemed to be 'in attendance' and not to have it set at 40% but as a fixed number. This would prevent a meeting from taking place if the necessary College expertise was not present.

**10.8.** Members were satisfied with the timelines, coverage and quality of information provided.

**10.9.** The balance between macro and micro information was seen as right for the committee.

It was agreed the Clerk would complete Appendix B based on the responses above and circulate this for members' comment and agreement before submitting to Corporation.

## **11. Any Other Business**

### **11.1. Finance Internal Audit Reports**

Teresa Miller advised members that she was pleased to report that five internal audit reports covering financial controls and systems had all been assessed as 'Substantial Assurance'.

Members responded positively to this very pleasing news and asked for a letter of congratulation to be sent to all staff involved.

**Clerk to the Corporation**

### **11.2. Capital Project**

Members agreed that all Contractors and Consultants should be reminded to send in any outstanding invoices in order that the College could claim the full amount from the LSC should this prove possible. Such a request to be included in the letters of thanks.

**Clerk to the Corporation**

## **12. Date of Next Meeting**

In discussion it was agreed this should be Monday 5 October 2009 at 5.30 pm. Venue to be confirmed.