

CORPORATION OF KIDDERMINSTER COLLEGE

Minutes of the Finance & Personnel Committee held on Thursday 5th November 2009 at 17.30 hours

FP 646 Present David Cory, Chair
Mick Cooper
Adrian Davis
Mark Garnier
Jonathan Grice
Andrew Miller

FP 647 Quorum 3

FP 648 In Attendance Derek Harrison, Director of Finance & Administration
Angharad Hale, Clerk to the Corporation
Tim Mason, Director of Curriculum, Strategy &
Business Development
Graham Mason, Head of ICT
Judith Simpkins, Senior Finance Officer

FP 649 Apologies None received.

FP 650 Declaration of Members' Conflict of Interests

No declarations made.

FP 651 Minutes of Meeting Held on 25th June 2009

The minutes of the meeting held on 25th June 2009, having been circulated, were agreed and signed by the Chair.

FP 652 Matters Arising

i) Sladen Project

The Principal updated the Committee regarding the meeting which has now taken place with Worcestershire CC Director of Children's Services, referred to in the minutes of the previous meeting. A request was made for BSF funding, but despite being sympathetic to the College's case, the funding has all been committed elsewhere. A subsequent letter from the County Council indicated that they would look to use the site for alternative purposes in the future but they seemed in no hurry. It was noted that the College's Accommodation Strategy had now moved on and revised SMT proposals will be presented at the December Corporation meeting.

Derek Harrison confirmed that a claim had been submitted to the LSC to seek an additional contribution to the professional costs. As there is a slim chance of receiving this money it has not been included in the accounts for last year and would be a bonus if received.

A query was raised regarding the accommodation pressures now that the move to Elgar House has been completed. The Principal confirmed that it had eased some of the short term pressures but accommodation is still very tight.

ii) *Catering Contract*

Derek Harrison reported that the level of subsidy requested from the College had risen from £6K up to the region of £30K. This also included an initial investment of £6K in equipment and leases / purchases. The Chair proposed that this was an unacceptable situation. It was agreed that Derek should proceed to explore options for reducing the subsidy, including the possibility of bringing the service in-house. This would be reviewed again at the next meeting.

iii) *Disciplinary & Grievance Procedures – Senior Post Holders*

Following the appointment of a new Clerk, this had not progressed any further. The Clerk agreed to bring proposals back to the next meeting.

FP 653 VLE Middleware Plan

Tim Mason & Graham Mason attended to discuss the plan, which had previously been circulated. Tim highlighted the success of this plan to date in retaining IT support staff, raising the profile of the College by being seen as a market leader and gaining a high repeat business rate.

Tim explained that there was a significant decline in Projects income last year as JISC had delayed the release of funding for research development. This had caused difficulties in putting the business plan together. A 13% surplus is predicted for this financial year with only a small amount of research development included. 2 joint bids of £¼ million have gone in this month, with our share of both being a potential £160K.

The Committee requested that cost data for 2008/9 should be included in the Financial Analysis. Derek Harrison confirmed that the cost data information would be provided including comparative data for 2009/10.

FP 654 Management Accounts 2008/9

i) *Period 11 to 30th June 2009*

ii) *Period 12 to 31st July 2009*

Details had been circulated. Derek Harrison highlighted the fact that our share of the pension deficit has increased and is now £2.5 million. Our contributions are going up 0.7% a year and are now up to 14.7%. This was acknowledged to be a significant issue.

iii) *Summary of Financial Outturn 2008-9*

It was noted that there was a turnover of £10 million for the first time last year. Financial performance was better than expected with a surplus of 370K (560K excluding FRS17). Baker Tilly audited the accounts during half term and no significant issues were raised.

Train 2 Gain was noted as having a successful financial year, generating a profit margin in excess of £700K. However, following the LSC audit, the College is in the process of providing clarification on some areas and Derek reported that there remains a possibility that some of the funding may have to be re-paid. It was confirmed that a maximum £418K could be at stake. Derek felt confident that any repayment should be nowhere near that amount as all funding guidelines were followed and Tim Mason has been able to provide evidence that we matched all LSC requirements. In the eventuality that LSC asked for the full £418K to be re-paid it was noted that the College would appeal the decision possibly involving another auditing body.

FP 655 Management Accounts 2009/10

Periods 1 & 2 to 30th September

Details were tabled. No issues needed to be raised at this stage of the year.

The solvency ratios were :-

	<u>Target</u>	<u>Actual</u>
Current Ratio	1-1.5:1	2:83 :1
Cash Days in Hand	15 days	106 days

It was noted that the increase in cash days in hand are due to frontloading of LSC funding.

FP 656 Human Resources

i) Human Resources Strategy Action Plan

The Principal explained that although the circulated document was a draft, it formed an action plan for the year. Many of the actions are already taking place and it was suggested that the new Principal would need to review items with longer target dates.

The Chair suggested that a glossary of terms would be useful and this was agreed as a future action for the Clerk.

ii) Pay Award 2009/10

A final recommendation from AoC of 1.5% has been made. UCU are the only union not accepting this offer. They are still asking for 6% and are balloting their members with a potential date of 10th December for industrial action.

It was confirmed that a 1% pay award has been factored into the College's budget, but a current Reforecast is being prepared based on 1.5%

iii) Sickness & HR Statistics 2008/9

Details had been circulated. It was noted that there has been an overall fall in sickness absence and the total no. of long term absences had significantly fallen from 33 down to 24, including a fall from 22 to 13 for support staff.

It was noted that there is a positive trend with increasing numbers of staff with 100% attendance. It was suggested that this is an area where incentives and rewards could be considered. This was agreed as a topic for future discussion.

Staff turnover is slightly higher than the previous year. A request was made for separate figures for teaching and support staff to be made available and the Principal agreed to provide this information.

FP 657 Any Other Business

None raised.

FP 658 Date of Next Meeting

Thursday 26th November 2009 at 17.30 hours

The meeting closed at 19.25 hours

Chair _____ Date _____