

## CORPORATION OF KIDDERMINSTER COLLEGE

### Minutes of the Finance & Personnel Committee Meeting held on Thursday 19<sup>th</sup> March 2009 in Room 149 at 16.30 hours

- FP 608 Present** Jonathan Grice Chair  
Derek Arnold  
David Cory  
Harry Grove  
Andrew Miller  
Karen Stevens
- FP 609 Quorum** 3
- FP 610 In Attendance** Derek Harrison Director of Finance & Administration  
Alan Hopkins Clerk to the Corporation  
Judith Simpkins Senior Finance Officer
- FP 611 Apologies** None
- FP 612 Declaration of Members' Conflict of Interests**  
No declarations made
- FP 613 Minutes**  
The minutes of the meeting held on Thursday 15<sup>th</sup> January 2009, having been circulated, were agreed and signed by the Chair.
- FP 614 Matters Arising**
- i) *Sladen Project*  
Papers from the AOC giving an update on the LSC Capital Programme delays were tabled. It was clear that efforts were being made at national level to restart the programmes by securing more money for the LSC capital budget programme. It was hoped that the position would become clearer by the time of the May Corporation and F & P meeting.
  - ii) *Short Term Accommodation Update – Elgar House*  
Derek Harrison reported that good progress was being made in agreeing the lease terms, including the possible 12-month extension to 31<sup>st</sup> July 2013 as requested at the last Corporation meeting. One issue, which needed to be changed, related to the budget for the refurbishment and running costs for Elgar House and Market Street. Derek Harrison explained that at the Corporation meeting it was proposed that funding for the capital costs would be based on a specific LEA grant of £100,000 plus £140,000 drawn from College reserves, whilst recurrent costs would be funded from LSC growth income. This position was deemed to be too inflexible. Instead these costs would be funded through either of LSC growth funds and T2G funds. A new Resolution was therefore required which would need to be presented for approval at the May Corporation meeting.
- It was therefore proposed by David Cory, seconded by Karen Stevens and unanimously agreed by the meeting that “The capital cost of the refurbishment of Elgar House and Market Street should be funded by an LEA grant of £100,000 plus £140,000 from

College Reserve funds. Recurrent costs would be funded from additional income generated by LSC Growth funding and T2G activities”.

#### **FP 615 Management Accounts 2008 – 09**

i) *Period 5 to 31<sup>st</sup> December 2008*

These had been circulated and were noted by Members.

ii) *Period 6 to 31<sup>st</sup> January 2009*

These had been circulated. Judith Simpkins made the following comments: -

- a) A claim for £638,103 had been made in respect of T2G activities. However funding had been capped at £418,009 pending a decision on the College’s bid to the LSC for a variation in the contract.
- b) Part time salaries were high in the month.
- c) Examination costs are high due to T2G expenses relating to taxi drivers.
- d) No conclusions had yet been reached regarding the arrears issue relating to earlier energy costs.

Members expressed concern over the capping of T2G income, and the general delay in some decisions relating to LSC funding. Derek Harrison stated that the College would need to further review the cash flow implications of the T2G contract.

A question was raised regarding whether the College was satisfied with the performance of the contract caterers. In reply, Derek Harrison stated that a review meeting was taking place with the Company next month. It looked as though the deficit for the year would be £6,000, compare with an original forecast of £2,000.

The solvency ratios were: -

	<u>Target</u>	<u>Actual</u>
Current Ratio	1 - 1.5:1	2:2:1
Cash Days in Hand	15 days	61 days

Members noted the Accounts

#### **FP 616 Financial Reforecast 2008 – 09**

Details had been circulated. This showed a forecast surplus of £66,000 compared with budget surplus of £50,000. Derek Harrison explained that the position looked promising for the year, though a qualification related to the College’s claim for increased LSC funding for the T2G work carried out. Items highlighted by Derek Harrison were: -

- i) The College will exceed its full time 16 – 18 student number target, but the costs associated with this unfunded growth will be around £40,000.
- ii) Adjustments had been made to cover the lower income in construction courses where anticipated student numbers have not materialised.
- iii) Due to lower interest rates, income from investments was lower.
- iv) There were some reductions in full time lecturer costs due to vacant posts, though part time lecturer costs were forecast to be above budget.
- v) Costs of £80,000 relating to the Sladen project had been written off in the previous year’s accounts. In the current year, costs could reach £43,000, assuming no further progress was made on the project.
- vi) Performance Indicators were forecast to be achieved.

Members accepted the Reforecast as satisfactory.

**FP 617 Human Resources**

i) *Human Resources Strategy Update*

Andrew Miller indicated that he had received comments from the Senior Management team on the draft version of the Strategy. He expected to be in a position to present the strategy at the next meeting of the Committee.

ii) *Future Agenda Topics*

Following a discussion, Members agreed that topics, which should be considered by the Committee, should include Disciplinary & Grievance Procedures, Recruitment & Retention Policies, Equality & Diversity Policies, Succession Planning, Management Development & Training and Performance Management & Remuneration. As a priority it was agreed to initially focus on Disciplinary & Equality and Diversity issues.

**FP 618 Any Other Business**

*Links with Press*

David Cory asked for clarification on the Corporation's policy in relation to Governors talking to the Press. In reply, the Clerk stated this was covered in the Corporation's Standing Orders. It was agreed that it would be worthwhile reminding all Governors of the policy.

**FP 619 Date of Next Meeting**

Thursday 21<sup>st</sup> May 2009 at 17.30 hours.

The meeting closed at 17.45 hours

Chair \_\_\_\_\_ Date \_\_\_\_\_

Agreed and signed by the Chair 21<sup>st</sup> May 2009

2<sup>nd</sup> April 2009