

# CORPORATION OF KIDDERMINSTER COLLEGE

## Minutes of the Finance & Personnel Committee Meeting held on Thursday 25<sup>th</sup> June 2009 in Room 149 at 17.30 hours

- FP 633 Present** Jonathan Grice Chair  
David Cory  
Harry Grove  
Andrew Miller  
Karen Stevens
- FP 634 Quorum** 3
- FP 635 In Attendance** Derek Harrison Director of Finance & Administration  
Angharad Hale Clerk to the Corporation  
Alan Hopkins Clerk to the Corporation  
Judith Simpkins Senior Finance Officer  
Adrian Davis Governor  
Paul Crowley Governor
- FP 636 Apologies** Derek Arnold
- FP 637 Declaration of Members' Conflict of Interests**  
No declarations made
- FP 638 Minutes**  
The minutes of the meeting held on Thursday 21<sup>st</sup> May 2009, having been circulated, were agreed and signed by the Chair.
- FP 639 Matters Arising**
- i) *Sladen Project*  
Andrew Miller stated that there had been little change in the position. Members of the LSC Regional Finance team had visited the College to review the information that the College had previously provided relating to the costs which had been incurred to date. This totalled £260,000, which was accepted by the Regional Team. There was no indication regarding what position the LSC would take on refunding those costs. The meeting with Worcestershire CC Director of Children's Services was fixed for 14<sup>th</sup> July 2009. The Principal, Harry Grove and Mark Garnier would represent the College.
  - ii) *Catering Contract*  
Derek Harrison stated that meetings had been arranged with the catering contractor and then subsequently cancelled. He was therefore still trying to arrange a meeting to deal with current trading subsidy and next year's forecasts.
  - iii) *Elgar House*  
Derek Harrison reported that good work had been done in preparing the new accommodation. Costs were within budget. It was planned to relocate staff over the period 6<sup>th</sup> – 8<sup>th</sup> July.

iv) *Framework For Excellence*

Andrew Miller tabled a paper summarising some scores and grades awarded to the College. Good grades had been awarded for learner destination, success rates and financial management and controls. Outstanding grades were awarded for financial health, delivery as a percentage of funding allocation and resource efficiency. It was stated that grades, for Success Rates and Learner Destinations only would be published by the LSC in July. It was noted that the information was not straightforward and with several gaps was difficult to interpret.

**FP 640 Management Accounts 2008 – 09 Period 10 to 31<sup>st</sup> May 2009**

Details had been circulated. Judith Simpkins highlighted the following: -

- a) The LSC is recouping additional payments made before April
- b) Income from T2G received in the month has totalled £546,000
- c) Tuition fees are lower than forecast since courses in Care & Electrical that were run last year have not been repeated.
- d) Income from ICT projects has been lower than forecast.
- e) Whilst full time lecturers' salaries are within the earlier Reforecast, part time salaries are higher than the Reforecast.
- f) The cash position was good due to the receipt of T2G income.

The solvency ratios were: -

	<u>Target</u>	<u>Actual</u>
Current Ratio	1 - 1.5:1	2.84:1
Cash Days in Hand	15 days	92 days

Members noted the Accounts as being satisfactory.

**FP 641 Financial Reforecast 2008 – 09**

Details had been circulated. The Reforecast showed a surplus of £3,000 as at 31<sup>st</sup> July 2009 (excluding FRS17). Figures relating to the Elgar House project had been included and further costs incurred since August 2008 relating to the Sladen project had also been included. Without these two items, the College could have been projecting a surplus of £103,000. Derek Harrison explained that the assumptions made in the Reforecast included: -

- a) There would be no LSC claw back of ALR Funds.
- b) A prudent view of T2G income for the balance of the year had been taken.
- c) Expected additional income from E2E training had been included.
- d) Full time lecturer costs were lower, but this was offset by higher part time lecturer costs.
- e) Income from certain BDU programmes, ICT projects and tuition fees were lower.

Members agreed that the Reforecast showed a good position, though concerns were expressed over the future uncertainty relating to LSC policy on the T2G programmes and their funding. It was possible that funds would be diverted away from T2G to support new programmes to help the unemployed. It was however difficult to make accurate predictions on the overall effect and that T2G is a high risk activity at the moment.

## FP 642 Financial Forecast 2009 – 12

Details of the three-year forecast were tabled at the meeting. The details were: -

£'000s	2009 – 10	2010 – 11	2011 – 12
Income	9421	9655	10020
Expenditure	9601	9740	10058
Surplus/(Deficit) Including FRS17	(180)	(85)	(38)
FRS17	148	148	148
Surplus/(Deficit) Excluding FRS17	(32)	63	110

Derek Harrison explained that the key assumptions covered in the Forecast were: -

- a) In relation to LSC Funded areas
  - 16 – 18 and T2G funding rates increased by 1.5% p.a.
  - Funding rates for other activities increased by 1% p.a.
- b) Cautious predictions have been made in relation to 16 – 18 growth in student numbers.
- c) University of Worcester projected income is based on
  - 2009 – 10        65 students
  - 2010 – 10        78 students
  - 2011 – 12        94 students
- d) Tuition fees have been increased by 10% and a plan to introduce an administrative charge of £35 for all full time students from 2010 – 11 has been included.
- e) Bank interest is shown as an average rate of return of 3% in 2009 – 10, 4% in 2010 – 11 and 5% in 2011 – 12.
- f) A general pay award of 1% has been allowed for each year.
- g) Performance Indicators were at acceptable levels.

Members in discussing the Forecast questioned whether the assumption on bank interest rates and pay awards were realistic for the whole three-year period. It was accepted however that in the current economic climate it was very difficult to accurately forecast outcomes in these areas.

The Forecast was approved by Committee Members and referred to the next Corporation for acceptance.

(Harry Grove left at 18.55 hours)

## FP 643 Human Resources

- i) *Human Resources Strategy Action Plan*  
Andrew Miller stated that these details had not yet been completed. When ready, the Action Plan would be circulated to F & P Members.

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

The Clerk tabled two possible versions of Disciplinary & Grievance Procedures. One was based on AOC recommended procedures, the second version was a more concise and compact procedure. The Clerk stated that he felt the second version was more appropriate to the circumstances covering Senior Post Holders at the College. Andrew Miller agreed to discuss the content of the documents with his colleagues and report back to the Committee or the Clerk.

**FP 644 Any Other Business**

No matters were raised.

**FP 645 Date of Next Meeting**

Subject to 2009 – 10 Calendar of Meetings.

The meeting closed at 19.05 hours

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

29<sup>th</sup> June 2009