

# CORPORATION OF KIDDERMINSTER COLLEGE

## Minutes of the Finance & Personnel Committee held on Thursday 26<sup>th</sup> November 2009 at 17.30 hours

**FP 659 Present**                      **David Cory, Chair**

Mick Cooper  
Jonathan Grice  
Andrew Miller

**FP 660 Quorum**                      **3**

**FP 661 In Attendance**    **Andy Dobson, Head of Quality & Information**

Services

Derek Harrison, Director of Finance & Administration

Angharad Hale, Clerk to the Corporation

**Judith Simpkins, Senior Finance Officer**

**FP 662 Apologies**                      **Adrian Davis**

Mark Garnier

**FP 663 Declaration of Members' Conflict of Interests**

No declarations made.

**FP 664 Minutes of Meeting Held on 5<sup>th</sup> November 2009**

The minutes of the meeting held on 5<sup>th</sup> November 2009, having been circulated, were agreed and signed by the Chair.

**FP 665 Matters Arising**

*i) Catering Contract*

*Further to discussions at the previous meeting regarding concerns over the level of subsidy; Derek Harrison has met with Mitie's Operations Director and Regional Manager. A detailed review of budgets was carried out and some adjustments have been made. A detailed breakdown of the £10K management fee contained within the contract was provided. £6K is needed to cover overhead costs and as a goodwill gesture they have reduced the overall management fee this year down to £8K. A discussion regarding sharing risks between both parties has taken place and Mitie are prepared to offer a 50/50 share in any deficit up to 4K above £16K within the budget. On the reverse side, any improvement in financial performances below 16K up to £4K will be shared 50/50.*

*A discussion has taken place with the relevant parties at the College regarding managing the contract in-house but this is not an option that the College wishes to progress at this stage.*

*Derek proposed keeping a looking brief on progress and reporting back to Finance & Personnel Committee on a regular basis to ensure Mitie operate within the agreed budget. This was endorsed by the Committee.*

*ii) Disciplinary & Grievance Procedures*

Following a meeting with the Principal, the Clerk proposed adopting the AoC model procedures in preference to the shortened version prepared by the previous Clerk. Senior Post Holders had raised a number of questions relating to the version produced by the previous Clerk and the AoC version appears to be more robust. The AoC procedures were re-circulated and it was agreed that all Senior Post Holders would need to comment before they can be adopted.

*iii) VLE Middleware Plan – Cost Data*

Details of the financial analysis, including estimated expenditure were tabled. It was noted that this version reflected actual rather than estimated 2008-9 outturn figures.

In response to concerns raised at the last meeting re. turning around the deficit from last year, Derek assured the Committee that the VLE Middleware team will be focusing on the most profitable opportunities and they were confident that the target figures can be delivered.

*iiii) Sickness & HR Statistics 2008/9*

At the time of the meeting, the Principal had not received a breakdown of the turnover figures for teaching and support staff from the Personnel Manager. Details will be forwarded onto members as soon as they are received.

*iv) Train to Gain*

The Chair explained that this had been added as a matter arising as there remains a possibility that LSC may claw back some of the funding from last year. The figures in question are fundamental to the accounts and there is a concern regarding timescales as the end of year accounts need to be signed off by Governors at the December Corporation meeting.

Derek Harrison updated the Committee on the fact that the College has provided additional evidence which the LSC auditor is still reviewing. A meeting has been arranged with key staff from the LSC on 8<sup>th</sup> December. In the meantime, Paul Oxtoby from Baker Tilly has offered to provide a second opinion as to whether the College has satisfied the requirements of the funding guidance. The Chair proposed that the Committee accept Baker Tilly's involvement in attempting to resolve the situation.

It was confirmed that the end of year accounts have to be presented to LSC by 31<sup>st</sup> December and therefore the College should seek advice from them regarding the deadline if the matter is not resolved on 8<sup>th</sup> December.

**FP 666 Sladen Project Financial Reconciliation**

Details had been circulated confirming that College's contribution has been further reduced as a 2<sup>nd</sup> design payment of £21,021 has been received from LSC.

Derek Harrison confirmed that the payment has not been included in last years accounts. However, if an adjustment has to be made due to Train 2 Gain, it will be included in the adjustment.

### **FP 667 Management Accounts Period 3 to 31<sup>st</sup> October 2009**

Details were tabled.

The solvency ratios were :-

	<u>Target</u>	<u>Actual</u>
Current Ratio	1-1.5:1	3:01 :1
Cash Days in Hand	15 days	104 days

### **FP 668 Financial Reforecast 2009/10**

Details were tabled. Derek Harrison explained the main reason for the increased deficit projection from £32K to £115K was the recruitment of around 100 students over and above the agreed LSC funding target, which will incur approx £100K of teaching costs. It was noted that not all anticipated income has been included in the reforecast as a cautious approach to associated costs has been taken.

The pay award increase to 1.5% compared to the budget figure of 1% will cost an additional £30K per year. The Committee agreed to recommend acceptance of this figure to the Corporation.

Acceptance of the tabled document and in particular the increased deficit due to over recruitment of students was discussed separately. The Principal confirmed that the College had received a communication from the LSC earlier in the term about additional 16-18 funding available to Colleges who had recruited met 10% more than target. Subsequently the College have been informed that this is likely to be a small amount of funding to be distributed and will depend on the FO1 return.

Following further debate of the issue, it was agreed to accept the reforecast to 31<sup>st</sup> July 2010. It was also agreed to recommend the issue of whether the College can continue to over recruit in future years for wider debate amongst Governors. It was suggested that this should take place at the away day planned for February 2010 as by that date further information on the MOG changes and LA levels of funding for next year should be available.

### **FP 669 Learner Support Fund**

Details had been previously circulated. It was noted that there was a significant reduction in payments linked to changes in rules over tuition fees.

Mick Cooper raised a query regarding the appeals process, as one of the individuals who sits on the appeals panel has already been involved in decision making and is therefore not impartial. Andrew Miller agreed to refer the issue back to Tim Mason to address.

Pending this issue, the document was approved by the committee.

### **FP 670 Any Other Business**

Details of the College's banking facilities were tabled. The agreement has to be approved annually and the Committee agreed to endorse the document.

A response letter from LSC to the College's 3 year Financial Plan 2009/12 was tabled. It was noted that our self assessment of outstanding for financial health had not been endorsed by LSC, who have rated it as good.

Furthermore, on page 2 of the letter there is a comment which implies that LSC may be including FR17 in their assessment of financial health, therefore Derek has written back to David Waldron, LSC Director for Worcestershire, for clarification.

**FP 658 Date of Next Meeting**

Thursday 14<sup>th</sup> January 2010 at 17.30 hours

The meeting closed at 18.50 hours

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