

# **New College Telford**

## **Finance and General Purposes Committee**

**Tuesday 3 March 2009**

### **Minutes**

**Present:** Mr D Hopkins (Chairman)  
Dr R Hargreaves  
Mr G Clark  
Mr I Woulds (Part)  
Mr M Crowson

**In attendance:** Mrs B Tyley  
Mr P Taylor (Clerk)

#### **1 Apologies**

None.

Mr Woulds informed the Committee that this would be his last meeting since ill health had necessitated his resignation from the Corporation from the end of March 2009. The Chairman and all other members thanked Mr Woulds for his effective work on the Committee over many years and paid tribute to his contribution to the governance of the College.

#### **2 Confirmation of Minutes**

The minutes of the Finance and General Purposes Committee of 25 November 2008 were confirmed.

#### **3 Declarations of Interest**

None.

#### 4 College Planning and Development: An Update (Part)

Mr Clark introduced the report (copy in minute book) for the Committee explaining that it provided a brief update in respect of the new 'Apprenticeships, Skills, Children and Learning Bill' together with an overview of College developments in relation to LSC funding, planning, College organisation change, HR and accommodation. Mr Clark summarised the main provisions and implications of the Bill, the parallel formation of the Learning and Skills Improvement Service (LSIS), commenting that they suggested a growing confidence in, and maturity of the sector. Mrs Tyley referred to the potentially positive outcomes from the College's engagement in a peer review process.

On **LSC Funding and Planning** Mr Clark and Mrs Tyley described the various elements and operation of the new funding methodology and its different operation for 16-18 and 19+ learners. Mr Hopkins commented that while he appreciated the necessity for the 16-18 funding being fixed in any one year, in terms of the funding body's spending control, he was very conscious of the pressures additional students placed on the College resources. Dr Hargreaves and others were concerned that the operation of the 'provider factor' in the funding methodology should be transparent, fair and based upon objective criteria. Mrs Tyley commented that although it was very early in the development and application of the formula, first impressions were that the 'provider factor' would be equitable in operation.

Mr Clark referred to the funding of learners other than through the Standard Learner Number, details of which were set out in the report. He drew members' attention to the main themes of the dialogue meetings with the LSC and the matters raised by local authority officers who were shadowing the process in anticipation of the shift of funding responsibilities to local authorities in 2010. Mr Clark referred to the main features of other adult funding streams and noted concerns about the future funding available for 'learndirect' provision.

On **College Organisation Change**, Mr Clark referred to the significant number of issues to be handled by the College over the coming period, and summarised the main organisational changes instigated in January 2009 (including the creation of three new Areas of Learning) and those contemplated for the future, including the re-organisation of some central and student support services, all with the intention of developing a greater 'customer focus'.

On **Human Resources**, Mrs Tyley summarised the progress made on the consultation for, and development of, revised HR policies and procedures. She referred to the revised Employment Protection Scheme (at Appendix 1 to the report) and invited the Committee to comment upon it. While members were generally content with its provisions, Dr Hargreaves and others voiced reservations about the

differentials in redundancy payments between teaching and support staff. In response Mrs Tyley undertook to take this matter back to the HR Manager, but suspected that the differential had a basis in different contractual provisions. The Clerk commented that the role in process of the Finance and General Purposes Committee was appropriate to its current approved functions, provided that the term 'oversee' was not construed as implying making decisions on the matter. He also reminded the Committee that several employment related policies and procedures were outstanding in relation to designated senior postholders.

*Clerk's note: at this point in proceedings, mindful that Mr Woulds would leave the meeting shortly, the Committee agreed to defer consideration of the remaining part of the College Planning and Development Report until after the Management Reports and Mid Year Update Reports had been considered.*

## **5 Management Reports to 31 January 2009**

Mrs Tyley introduced the reports (copy in minute book) for the Committee, noting that the College income and expenditure reports for the period identified an actual surplus of £23,753 compared to the profiled budget surplus of £90,010. Mrs Tyley summarised the major income and expenditure variations set out in the report. Mr Woulds commented that he was generally content with the accounts as presented, and was pleased to see that 'pay as a proportion of income' remained below the target maximum. Mr Woulds and Mr Hopkins both referred to the inclusion of modest contingencies within the budget, and while they were hopeful that these might not be required, understood the many variable factors that could result in their use being required. In response to a question from Mr Woulds on the accounting practice in relation to the depreciation on inherited assets, Mrs Tyley commented that the College's newly appointed accountant had applied a revised policy on depreciation release which is not yet reflected in the profile. After further satisfactory responses from Mrs Tyley to questions of detail in the reports, the Committee resolved to receive the report.

## **6 Mid Year Update 2008/09**

Mrs Tyley introduced the report (copy in minute book) for the Committee, commenting that it updates members on the major variances in financial performance 2008/09 and presents a mid year update in the form of a revised budget. She summarised the key assumptions underpinning the original budget for 2008/09 and described the major developments in terms of income, pay, non pay and capital expenditure, details of which are set out in the report. She concluded by noting that the underlying position is under some pressure for the year largely as a result of additional expenditure to offset the 'unplanned' growth in 16-18 learner

numbers, together with falling interest on investments. She drew the Committee's particular attention to the fact that actuarial adjustments to be made to pensions (FRS17) were as yet unknown and could have a considerable impact upon the budget.

In debate, members commented that a re-examination of the College's handling of investments would be timely given the changes in the financial sector and products. Mrs Tyley undertook to review the practice and report back to the Committee in due course.

The Committee resolved:

- 1 To receive the Mid Year Update 2008/09; and
- 2 Commend it for approval to the Corporation.

*Clerk's note: at this point Mr Woulds left the meeting.*

#### **4 College Planning and Development: An Update (Part)**

On **Accommodation**, Mr Clark referred to the accommodation improvements made, including the three additional classrooms provided, the extended computer drop-in centre and the bookable IT suite. He reported on progress made on the Estates, Strategy and Feasibility Study and the work of the appointed client advisors 'AA Projects'. He noted their work on current space utilisation and that the College's utilisation remains low by sector works largely as a consequence of the current accommodation's design. A further report on the matter will be made.

Mr Clark reported that the client advisors had identified the need for a planned maintenance programme of £6.44m (excluding fees and charges) over ten years. He reported that some of the maintenance elements identified had health and safety implications, and that these had been referred to the College Health & Safety Committee, and were being pursued. He commented that the needs identified by the client advisors strengthened the case for substantial and urgent investment in College estates.

Mr Clark noted that further in-depth surveys were under consideration pending consultation with the LSC regional property adviser once the outcomes of the national LSC review of capital funding are known.

To the satisfaction of Committee members, Mr Clark reported that in recent discussions on property matters with the LSC and Local Authority, it was confirmed that discussions about co-location will no longer be pursued.

The Committee resolved to:

- 1 To receive the report; and
- 2 Subject to the comments recorded above, commend the Employment Protection Scheme to the Corporation for approval.

## **7 Date of Next Meeting**

The next meeting of the finance and General Purposes Committee will take place at 5.30 pm on Tuesday 2 June 2009.