

New College Telford

Finance and General Purposes Committee

Tuesday 23 February 2010

Minutes

Present: Mr D Hopkins (Chairman)
Dr R Hargreaves
Mr M Crowson
Mr G Clark
Mr A Pickerin

In attendance: Mrs B Tyley
Mr D O'Connor
Mr P Taylor (Clerk)

1 Apologies

None – all members present.

2 Confirmation of Minutes

After the correction of one typographical error the minutes of the Finance and General Purposes Committee meeting of 19 January 2010 were confirmed.

3 Declarations of Interest

None.

4 College Planning and Development

Mr Clark introduced the report (copy in minute book) for the Committee explaining that much of the report summarises information previously presented to the Corporation and its Committees and sets out the challenges and priorities currently facing the College. He explained that it aimed to provide a concise statement of the current position of the College, particularly in respect of performance. He referred firstly to the organisational change effected in the College in 2009 set out in detail in the report, and in particular to the appointment of three new Heads of Area of Learning through internal

promotion. He noted that the principal purpose of the organisational changes was to provide capacity in the College for future development.

Turning to **College Performance**, he noted the dual influences upon colleges from central government with both a strong emphasis on raising educational standards, and an expectation that they contribute significantly to local communities and economies. He referred to the conclusions reported by Ofsted and the measures under the LSC 'Framework for Excellence'. He referred to the generally positive performance reported in the College Self Assessment Report, while noting that the conclusions on retention on some courses and the 'stretch and challenge' of teaching and learning in some areas were less positive. In response to questions from members he commented that generally the greater challenge facing the educational system was retention at 17 rather than at 16, particularly now that AS levels provide a recognised qualification after one year's post 16 study. He summarised the position in terms of student recruitment, noting the substantial growth in numbers in recent years and the composition of the student cohort. In response to a question from Dr Hargreaves, Mrs Tyley noted that the College was in a strong position to accommodate any sudden increase in student recruitment with appropriate contingency plans in place.

Responding to a question from Mr Crowson on the impact of the establishment of sixth forms in South Telford, Mrs Tyley commented that no effect was yet apparent, and indeed there was now improved access for Madeley School pupils to information and advice from New College.

On the matter of the '**Learner Journey**', Mr Clark noted the need to develop assessment of students' prior achievements. He reported the low level of complaints and the positive view students have of teaching on their courses. He also referred to the improvement in the proportion of good and outstanding teaching reported by the College observation of teaching and learning scheme. Mr Clark referred to the disappointing fall in the overall College success rate, although the fall was a relatively marginal one.

On the **College and the Community** Mr Clark referred to the extensive involvement the College had with the community and the wide range of organisations with which it engages. He noted the increasing range of obligations (some legal) the College has in respect of: equalities and diversity, community cohesion, combating violent extremism, dealing with the UK Border Agency, safeguarding, and contributing to the 'economic well being of the locality. He provided members with some practical examples of the impact of these obligations. He referred to the need for cultural change in the College arising from these obligations and the need for changes to both pedagogy and the curriculum as constituting 'new agendas' for the College, noting that it has been relatively slow to respond to them.

On **College Management** Mr Clark reported on the changes in specific responsibilities of both the Principal and Vice Principal, designed to improve the management of teaching, learning and the curriculum and to ensure the effective management of the Capital Project.

He referred to the formation of the broader based College management team, and noted the potential need to make further structural changes to the College management.

From the Chair, Mr Hopkins commended the Principal on his report, noting its usefulness as a summation of the College's current position.

The Committee resolved to receive the report.

5 Management Reports to 31 January 2010

Mr O'Connor introduced the reports, copy in minute book, for the Committee noting that they covered the first six months of the College year, and indicated an improving position with positive variances on pay and non pay budgets.

He referred members to the main elements of the report on income and expenditure variances against budget. He summarised the key elements of the factors leading to a small deficit against income profile of £11,000 and the surplus against expenditure profile of pay (£60,000) and non pay (£49,000) elements.

In debate, having declared a non-pecuniary interest in the matter, and making it clear that no change in banking arrangements was being proposed, Mr Crowson commented that the investment return shown in the report under 'interest receivable' and 'cashflow' suggested that the rate of return on money market deposits could be improved. In response Mrs Tyley acknowledged the need to re-examine investments, particularly in the light of the new demands of cash management in the context of significant borrowing for the capital project. She undertook to bring forward the matter of banking re-tendering or re-negotiation to a future Committee meeting.

Mr O'Connor concluded his remarks by referring to the section of the report on Financial Health and the relevant key performance indices. In debate, members commented on the below target figures on diversity of income which appeared in this report and previous reports. It was suggested that a re-examination of the diversity target would be appropriate in the circumstances. Members noted the overall financial health assessment of 'good'.

Mr Hopkins commended Mr O'Connor on the clarity of the report, and the Committee resolved to receive the report.

6 Mid Year Update 2009/10

Mrs Tyley introduced the report (copy in minute book) for the Committee, commenting that it updated members on the major variances in financial performance 2009/10 and presented a mid year update in the form of a revised budget. She summarised the key assumptions underpinning the original budget for 2009/10 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 referred members to the income and expenditure summary

shown in Table 1 of the report and the further detail contained in the appendices. She noted that notwithstanding that the College had taken a cautious approach to compiling the mid year update, the underlying financial position indicates that there will be a modest increase in surplus at year end to £49,000. However she warned that the impact of year end actuarial adjustments to pensions (FRS17) remains unknown at present. She referred members to the key factors in the pay expenditure, noting the retention of a currently unallocated contingency of £30,000 under staff restructuring. On capital expenditure she noted the significant investment in IT equipment made in recent years.

In debate, Mr Pickerin raised a question about any likely changes in student recruitment in the light of the demise of the LSC. Mr Clark commented that continued success in student recruitment was essential to the well being of the College and underpinned the financial assumptions behind the assessment of affordability of the capital project. In the immediate future he believed that the new arrangements for commissioning would not impair the College's ability to recruit successfully.

After further clarification of matters of detail in the report, the Committee resolved to:

- i) Receive the report
- ii) Commend it to the Corporation for approval

7 Accommodation Update: Refectory Proposal

Mrs Tyley introduced the report (copy in minute book) for the Committee explaining that it provided a general update on progress in planning to take forward the Refectory scheme approved by the Corporation at its special meeting held on 9 February 2010, and included information on alternative procurement options. She summarised the work undertaken on the detail of the proposals, including the layout of the kitchen and re-modelling of the changing rooms.

She noted also the consultations undertaken and planned with local residents. She referred to the attendance of the LSC's college Partnership Development Manager at a consultation event and the supportive comments made by her. She noted that View Architects were on target to submit a full planning application in early March 2010, although following the governors' comments at the February special Corporation meeting finalisation of the design of the site entrance will be delayed.

Mrs Tyley reported on developments on cost estimates noting that potential cost savings have been agreed to keep the project within the £2.6million budget agreed by the Corporation. She referred members to the summary report prepared by Ridge and Partners LLP on procurement options, included as an appendix to the report and invited members to consider the options.

The Clerk confirmed that the Corporation's resolution of 9 February 2010 on the matter had given the Finance and General Purposes Committee a general responsibility for exercising an oversight of the finance of the Project, including the identification of the preferred procurement route, but that this did not constitute particular delegated powers. He confirmed that formal powers to undertake expenditure, including proceeding with the procurement stages, remained with the Principal.

Members considered the advantages and disadvantages of the five procurement options: traditional, design and build, construction management, management contracting and prime cost reimbursement plus fixed or variable fee. They noted the identification of the traditional options as the most suitable by Ridge and Partners LLP, and its recommendations by the Principal's report. Members concluded that they would support the recommendation and agreed that the traditional route (option1) was the most appropriate for the project.

The Committee resolved to:

- i) Note the progress on the Refectory scheme since the last meeting and
- ii) Support the traditional system of procurement as the preferred option for appointing building contractors in the summer term 2010.

8 Date of Next Meeting

The next meeting of the Finance and General Purposes Committee will take place at 5.30pm on Tuesday 6 July 2010.