

**MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE  
HELD ON THURSDAY 4 DECEMBER 2008 AT 8.00AM**

**PRESENT:-**

Christine Goldstraw - Chair  
Anne Adams  
Lucy Dadge  
Geoff Hall – Principal  
James Lacey  
Tim Richmond

**IN ATTENDANCE:-**

Margaret Allen – Deputy Principal  
David White – Interim Vice Principal – Corporate  
Andrew Hartley – Executive Director of Funding and Financial Resources  
Val Mattinson – Director of Corporate and External Affairs  
Jo Boulton – Director HR  
Mike Motley – Managing Director of ncn at work  
Steve Duty – Health and Safety Manager  
Claire Kay – Clerk to the Corporation

---

1. **APOLOGIES FOR ABSENCE**

No apologies for absence were noted.

2. **DECLARATIONS OF PERSONAL INTEREST IN AGENDA ITEMS**

There were no declarations of interest to note.

3. **MINUTES**

Minutes of the meeting held on 26 June 2008 were approved and signed.

4. **MATTERS ARISING**

There were no matters arising from the minutes.

5. **PENSION DEFICIT**

The Committee received a presentation from the Executive Director of Funding and Financial Resources outlining the position of the **ncn** pension fund in relation to other colleges nationally. Members explored the reasons behind the large pension deficit noting the actuarial employers' contribution rate had been very low in the past but the recent increment applicable this year placed the College in a more realistic position compared to other colleges.

Members considered in detail the actions required to address the deficit, requesting work be undertaken to consider a portfolio of pension options for employees. The Committee noted the national issue of pension deficits throughout the public sector but considered it the Board's responsibility to limit the future exposure of the College if possible. The Committee noted that the FRS17 valuation of pension reserves was, by nature, prudent and that the tri-annual actuarial valuation was a more realistic valuation of the scheme.

6. **FINANCIAL STATEMENTS 2007/08**

The financial statements for 2007/08 were presented to members. The overall UK GAAP position was £233,000 surplus giving rise to an underlying operating surplus (as measured by LSC) of £1,286,000. This resulted in a Framework for Excellence rating for financial health as good.

The statements were noted as draft at this stage while final adjustments to the operating and financial review statement were made. It was reported that a possible restatement of the pension note could alter the final financial position by £7k.

The Committee resolved:

**to recommend the Members' Report and Financial Statements to the Corporation for approval.**

7. **ANNUAL ACCOUNTS OF COLLEGE COMPANIES**

The report outlined the current position on the companies' activity for the year ended 31 July 2008.

**New College Nottingham Property Services Ltd**

The operating position recorded a loss of £94,000 resulting from the VAT deferral scheme on Hucknall and Broadway. The arrangement was due to expire in March 2008 however the company has not yet been collapsed due to problems locating the original lease arrangement. Advice would be sought on alternative courses of action.

**Visions Learning Ltd**

This previously dormant company is currently being used as the trading arm for the catering services at the College. The operating position showed a loss of £32,000, the annual budgeted loss was £80,000. Improvements made to the catering arrangements were noted.

Members noted these results as draft until formally approved by the company boards in December.

The report was noted.

8. **ANNUAL REPORT ON HEALTH AND SAFETY**

The Committee reviewed the annual report on Health and Safety. The College systems had been independently reviewed during the year. The LSC annual assurance audit graded the College as good; HSE had undertaken a stress audit resulting in a stress management action plan which was being implemented. Changes to the fire safety legislation resulted in a fire assessment from the fire service with improvements being made in 2008/09.

The Committee were satisfied that the responsibilities of the Board in relation to Health and Safety were being carried out.

The Committee resolved:

**to recommend the Annual Health and Safety Report to the Board.**

9. **ANNUAL REPORT ON HR STRATEGY**

The Committee reviewed the progress made in 2008 to the HR strategy and noted the priorities for 2009. Significant improvements had been made on the accessibility of HR services and support to management teams. Industrial relations with the unions had seen noticeable improvements encouraging discussion and debate on issues to the benefit of the organisation. The modernisation of pay and job evaluation would be progressed in 2009.

The Committee resolved:

**to recommend the Annual report on HR strategy to the Board.**

*Jo Boulton and Steve Duty left the meeting.*

**10. MANAGEMENT ACCOUNTS OCTOBER 2008**

The management accounts for October 2008 were reported. The financial position was currently £200,000 adverse to budget with variances outlined within the report. Some areas of income remained unrecorded at this point in the year and the growth in adult enrolments was seen as an area of income generation. The investment attributed to preparing for Ofsted and increased pension finance costs accounted for the main expenditure variance.

The report was noted.

**11. REPORT ON DEMAND LED FUNDING**

The report presented to members reviewed the activity and performance of the contracts achieved in Train to Gain and Work Based Learning during 2007/08. Significant growth was reported in this area compared to the previous year with enrolments and achievements at higher than target levels. Overall 80% of the income target was achieved.

Members noted the performance in the first quarter of 2008/09 and the targets of growth in these areas.

Following the Internal Audit review of Train to Gain a recommendation was made to review the management fee structure for this area to improve overall margins. The Clerk recommended the Committee monitor the overall margins of demand led funding. The Committee requested a report to the next meeting to consider the information and consider an appropriate reporting process.

The report was noted.

**12. FEES POLICY 2009/10**

The report outlined the areas of change proposed to the fees policy for 2009/10. The College was increasing FE fees in line with LSC recommendations and offering fee remission in line with LSC fee remission policy. The policy proposes to increase HE full time fees in line with the OFFA 3 year agreement to £2150 and part time fees match the government contribution.

International fees were proposed to increase to a comparable level with other institutions.

The Committee resolved:

**To recommend the proposed fees policy for 2009/10 to Corporation.**

**13. COMMITTEE SELF REVIEW**

The report covered the review of compliance against the Committee's terms of reference and an assessment of performance against the criteria previously agreed. The Committee had addressed all its duties in year with the exception for its duties in relation to determining matters regarding the Health and Safety Policy, no reports had been submitted to the Committee reviewing this area. An annual report on Health and Safety was received by the Corporation during the year.

Following consideration of the evidence for the Committees performance in year it was agreed the Committee performance for the year be:

- Effectiveness – outstanding
- Value for money – good
- Risk management – good
- Human resources – good
- Decision making – outstanding

The Committee resolved:

**to agree the Committee self review.**

*James Lacey left the meeting. Andy Donoghue joined the meeting.*

14. **APPLICATION IN PRINCIPLE – BASFORD LEARNING PARK**

Confidential item.

15. **RISK MANAGEMENT ISSUES ASSIGNED TO THE COMMITTEE**

The Committee reviewed the risks assigned to it for monitoring for the year 2008/09. The Committee considered the risks in relation to HR should be reassessed and moved into one “umbrella risk” categorised as A. Members also considered the pensions risk to be included as a category B risk.

The report was noted.

16. **CONFIDENTIALITY OF BUSINESS**

The Committee determined the detail of the paper and discussion on the application in principle of Basford Learning Park to be confidential due to the commercial sensitivity of the information.

14. **DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 11 March 2009.

The Chair closed the meeting at 10.20 am.

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_