

MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE
HELD ON THURSDAY 4 MARCH 2010 AT 5.30PM

PRESENT:-

Anne Adams- Chair
Richard Brackenbury
Geoff Hall – Principal
David Nelson

IN ATTENDANCE:-

Julie Ashton – Deputy Principal
Andrew Hartley – Vice Principal Funding and Finance
Joanna Boulton – Director of HR
Claire Kay – Clerk to the Corporation

The Committee meeting was joined by Nick Whitehouse, Dean of HE and International for item 5, Mike Motley, Director of NCN at Work for item 6 and Andy Donoghue, Director of Estates for item 7.

1. **APOLOGIES FOR ABSENCE**

Apologies were received from James Lacy.

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

All staff declared an interest in agenda item 13. Andrew Hartley declared a new interest to be updated on the Register of Interests relating to his wife's role within Nottinghamshire County Council.

3. **MINUTES**

Minutes of the meeting held on 3 December 2009 were approved and signed.

4. **MATTERS ARISING**

No additional meeting in January had been considered necessary.

5. **INTERNATIONAL LIFESTYLES ACADEMY, NEW DELHI**

The Dean of HE and International introduced the Project Business Plan for the development of an academy in partnership with the Batra Group in India. The Committee were asked to agree the development in principle, to allow further investigative work to be carried out.

Members considered the development may be stretching in the current climate but also recognised the opportunity to generate income in a new market. Members discussed how the project fitted into the College HE Strategy noting the area of growth was in “exporting education” rather than “importing learners”. Additional business opportunities were also identified in training assessors and progression to further **ncn** courses in the UK.

The project did not envisage employing or relocating staff to India but would see a rolling programme of short term visits to maintain an **ncn** profile.

Members considered the financial and reputational risks associated with a development of this kind but concluded that without further information e.g. due diligence on the partner

organisation, legal structures and corporate governance arrangements, an informed decision was not possible.

The Committee passed the following resolutions:

- **to agree further exploration into the project of setting up a Lifestyles Academy in New Delhi;**
- **to agree a budget virement, in accordance with the financial regulations, to establish a £50,000 budget to cover due diligence and other initial exploratory costs.**

A further report would be brought to the Committee following investigations into the areas shown above.

Nick Whitehouse left the meeting.

6. TERMLY REPORT ON DEMAND-LED AND FRANCHISING PROVISION

A review of the partnership provision in year was undertaken by the Committee. The focus was on the high risk Employer Responsiveness provision. SFA were updating guidance in this area moving towards 10% as an acceptable level of partnership provision, **ncn** was currently at 6%. Additional funding had recently been received for 2009/10, demonstrating the College was achieving “supplier of choice” status with funding providers.

Funding allocations in this area were reducing for the next year which would require the College to cut some partnership arrangements. The quality of partner provision would be a determining factor for future partnership arrangements, as good partners have success rates above the College average dropping partners may impact on the overall College success rate.

Quality assurance work with partners had increased to reflect internal processes.

Members discussed the delivery profile of provision from March to July given the skewed payment profile concluding that there was no lack of demand for provision from employers but capacity was likely to be the limiting factor.

The Committee noted the report.

Mike Motley left the meeting.

7. ACCOMMODATION STRATEGY UPDATE

Members noted the update of the national position re capital funding. Members discussed the proposals in the report which built on the outcomes of discussions at the December meeting regarding, the likely closure of Berridge due to adult funding reductions and improvements in building utilisation, and the possible shared campus proposals for Hucknall.

More detailed costings and plans had been obtained for the development of Basford Campus following the decision at the last meeting. Members reviewed the plan for 2000 sq.mtrs of new workshop space with refurbishment to existing accommodation giving flexibility for 8,500 sq.mtrs. of new and refurbished accommodation. Costings, including a new entrance onto Hucknall Road, were estimated at £13m.

Members discussed the possibility of future funding and the need to progress with the development to ensure facilities were fit for the future. Following the OJEU process for selecting a design team would take 6-8 months and progressing to Application in Principle

(AiP) stage would cost approximately £75,000. Members noted that development would require a staged approach to ensure provision was maintained through the build phase. Members were satisfied with the proposals to progress to the next stage to design and cost the full development.

A full report was required to the Corporation on the decision making process undertaken by the Committee to support the recommendations from the Committee.

The Committee passed the following resolutions:

- **to recommend to the Corporation the closure of Berridge Centre from September 2010.**
- **to recommend to the Corporation fee expenditure of £75,000 to proceed with the Basford scheme to AiP stage**

8. FUNDING ALLOCATION 2010/11

The Vice Principal of Funding and Finance presented the provisional funding allocations for 2010/11 to the Committee. Members noted the areas where allocations had yet to be confirmed and those which the College was currently appealing against.

The reductions in 16-18 funding had been expected and were considered modest, however, adult funding had received an unexpectedly high reduction and would inevitably result in a reduction of provision.

Management identified the actions being taken to assess the impact of the funding cuts and the efficiency savings currently being explored. A report would be considered at the March Corporation exploring if the cuts would result in any frontline reductions. Members were keen to ensure that the needs of current and future learners would be carefully assessed if provision in any area was cut ensuring a strategic, and if necessary, collaborative approach to protect learner choice.

Members noted the report.

9. MID-YEAR FORECAST 2009/10

Members reviewed the mid-year forecast noting the minimal changes to the overall operating position for the year with the estimated forecast position at a surplus of £860k from £825k.

The variances in income and expenditure were reviewed with additional expenditure relating to developments at Basford and in New Delhi included. It was noted that in future the risk of over delivery on allocations may be higher than in the past and so managing delivery against allocations would be increasingly important. Members were pleased to note the actuarial valuation had given rise to a lower than expected increase in pension charges for the year giving rise to an improved UK GAAP position by £600k.

The Committee resolved:

- **to recommend the mid-year forecast for approval by the Corporation**

10. TERMLY REPORT ON COLLEGE COMPANIES

The report outlined the current position on the companies' activities.

New College Nottingham Property Services Ltd

The company had been confirmed as part of the College VAT group and could be wound up following a statutory delay of four months. It was expected this would be completed in April 2010.

Visions Learning Ltd

Following the accounting transfers to the College of all assets and liabilities this company was now in the process of being removed from the Companies House register.

The report was noted.

11. EXPENSES POLICY

The Committee noted this was a new, explicit, policy to take account of the guidance within the financial regulations and business expense forms and to revise the details of claims for expenses.

Members reviewed the key changes and discussed the reasonableness of the proposals. It was considered necessary to change the wording for business travel (para. 3.14) to make first class travel allowable only in exceptional circumstances.

The Committee resolved:

- **to recommend the Expenses Policy to the Board for approval, subject to the changes identified above.**

12. WORKFORCE DEVELOPMENT REPORT

Members noted the requirement to review workforce data annually in accordance with equality and diversity legislation and also to review the strategic priorities for workforce within the organisation.

The key data sets were reviewed by the Committee and it was noted that staff turnover and staff sickness had decreased last year. Issues were identified with compliance relating to the PDR process with too few staff having completed PDR's in year. Capability cases had increased demonstrating poor performance was being tackled in accordance with College procedures.

Members reviewed the key performance indicators for HR noting those which had not been achieved. The Committee requested the report be circulated to all governors for information. A review of the College HR Strategy was due during 2010.

The Committee passed the following resolution:

- **to agree the revised key performance indicators for 2010 and 2011.**

13. REDUNDANCY POLICY

The Committee reviewed the current redundancy policy in accordance with the requirement for an annual review. Members noted the Policy wording relating to statutory redundancy pay and the Corporation's duty to consider whether enhanced redundancy pay is "affordable".

Members noted that despite custom and practice, the Policy required a considered financial review when considering redundancy. Members supported the continued use of the approved Management of Change and Redundancy Policy and requested further detailed information to be provided to the Committee to understand the complexity of the issues explored in the paper.

14. MANAGEMENT ACCOUNTS FOR JANUARY 2010

The management accounts for January were reviewed and the actual financial position against budget noted. Members reviewed the debt profile noting the apparent increase in debtors. Although debt had increased due to the economic climate there were a few large debts at the end of January which were outstanding and had been subsequently paid.

The report was noted.

15. RISK MANAGEMENT ISSUES ASSIGNED TO THE COMMITTEE

The Committee reviewed the risk areas assigned to it for monitoring. The Committee noted that a full review of the risk register was currently underway to incorporate some of the risks discussed during the meeting.

The report was noted.

16. CONFIDENTIALITY OF BUSINESS

The Committee determined the paper on the Accommodation Strategy Update remain confidential due to the commercial sensitivity of the information. The minute relating to the discussion was open for public scrutiny.

17. DATE OF NEXT MEETING

The date of the next scheduled meeting was noted as 6 May 2010.

The Chair closed the meeting at 7.45pm.

SIGNED: _____

DATE: _____