

**MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE**  
**HELD ON WEDNESDAY 6 MAY 2009 AT 8.00AM**

**PRESENT:-**

Anne Adams  
Richard Brackenbury  
Lucy Dadge  
Geoff Hall – Principal  
James Lacey  
Tim Richmond

**IN ATTENDANCE:-**

Julie Ashton – Deputy Principal  
David White – Interim Vice Principal – Corporate  
Andrew Hartley – Executive Director of Funding and Financial Resources  
Jo Boulton – Director of HR  
Val Mattinson – Director of Corporate and External Affairs  
Claire Kay – Clerk to the Corporation

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Anne Adams welcomed Richard Brackenbury and Julie Ashton to their first F&R Committee meeting.

1. **APOLOGIES FOR ABSENCE**

Apologies were received from Christine Goldstraw. As the Chair of the Committee was not in attendance, members appointed Anne Adams to chair the meeting.

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

There were no declarations of interest to note.

3. **MINUTES**

Minutes of the meeting held on 11 March 2009 were approved and signed. A small grammatical error was corrected prior to signing.

4. **MATTERS ARISING**

There were no matters arising from the minutes.

5. **MANAGEMENT ACCOUNTS FOR MARCH 2009**

The Committee were presented with the cumulative operating position of all colleges from 2003/04 to 2007/08 demonstrating NCN's financial recovery during the 5 year period.

The Committee reviewed the March management accounts which indicated a year to date operating surplus of £71k compared to a budgeted operating surplus of £56k. The performance was considered on track for achieving the revised forecast position of £875k surplus at the year end.

The variances noted by the Committee included the positive variance on Train to Gain income, but negative variances on tuition fees and non-pay expenditure. The expectation was that tuition fee receipts would be lower than budgeted at year end by approximately £100k. Two exceptional debts had been provided for within the non pay expenditure resulting in a negative variance of £375k. It was expected that some of this would be

written back into the accounts before the year end, but in accordance with the debt policy all debts older than 120 days were provided for.

A confidential minute was recorded due to commercial sensitivity.

The Committee noted the College was currently recording 95% delivery against target for 16-18 provision whilst adult learner responsive provision was at 119% of target. The funding for 16-18 was guaranteed although under-delivery would be reflected in 2009/10 targets, whilst some additional funding had been received for the over-delivery of ALR provision.

The Committee discussed the future financial plans noting the current likely budget outturn for 2009/10 would be approximately £1m underlying surplus but with the current economic climate the UK GAAP deficit could be £2m. The future volatility within the sector was recognised and would be kept under review.

The management accounts for March were noted by the Committee.

## **6. TERMLY REPORT ON DEMAND-LED AND PARTNERSHIP FUNDING**

New information was reported to the Committee outlining the volume and margins of partner delivery for 2008/09. Members noted the area of provision was considered high risk with 7.7% of overall provision delivered through partnership arrangements. The aim was to reduce this to 5% by moving more delivery to direct College delivery. Members noted the delivery in year was 81% of planned provision at end of March 2009 with a total value of £2.7m planned for the year. The contribution rates for partners varied considerably with 39% average contribution from recurrent funding partners but an overall average of 28%. Members noted that the average year end contribution would be around 20% taking into account the timing of payments yet to be accounted for.

A confidential minute was recorded relating to one specific partner due to discussions relating to a named individual.

The report was noted by the Committee.

## **7. DEBT WRITE-OFF**

In accordance with the Financial Regulations, the Executive Director for Funding and Finance reported to the Committee the debts written off in the period March 2007 to March 2009 and also the debts to be written off prior to the year end.

Members noted the debts and processes in place to collect debts, some concern was expressed at the apparent lack of evidence to support old invoices but noted that procedures had changed to ensure this was not the case for new debts.

Members noted there was no effect on the income and expenditure account as all debts older than 120 days were fully provided for.

Members passed the following resolution:

**The Committee note the report and the write-offs authorised by the Executive Director of Funding and Finance between March 2007 and March 2009 totalling £186,894, and note the proposed write off of debts pre 2006/07 totalling £52,765.**

A confidential minute was taken with regard to the discussion on the confidential addendum due to commercial sensitivity.

## 8. TREASURY MANAGEMENT POLICY

As a result of comments made by Committee Members and the Internal Auditors, a revised Treasury Management Policy was provided to the Committee. The Policy was contained within the Financial Regulations and outlined the limits placed on deposits with individual institutions and clarified the approved institutions for holding cash reserves.

Members discussed the cash management procedures and the amounts available for deposit. The Committee welcomed the risk averse nature of the policy but considered the investment ceiling be lowered to £3m for all approved counterparties to ensure a spread of deposits.

Members passed the following resolution:

**The Committee approve the Treasury Management Policy subject to the amendments of the investment ceilings for all approved counterparties to £3m.**

## 9. WORKFORCE DEVELOPMENT REPORT

The Committee received the analysis providing a statement of the current workforce. The analysis included monitoring data required under the Race Relations Amendment Act and setting the data in the context of the National Workforce Strategy. A review of the College's HE Strategy would be undertaken next year and the analysis in the report would be used to inform the review.

The report contained suggested key performance indicators for workforce development including stretching targets for sickness absence and absence related to stress.

Members supported the holistic approach being taken by HR and the supportive and informal handling of HR issues. The report was noted by members and it was requested that the report be circulated to all Board members for information.

The Committee resolved:

**to recommend the key performance indicators for approval to the Corporation.**

## 10. BULLYING AND HARASSMENT POLICY REVIEW

Members noted the requirement to update the Bullying and Harassment Policy following the changes in the Autumn Term made to the Grievance and Disciplinary policies.

The revised policy re-emphasised the College commitment to tackling all bullying and harassment and would be supported by management training on the implementation of the policy.

The Committee resolved to:

**to recommend the revised Bullying and Harassment Policy for approval by the Corporation.**

## 11. FUNDING ALLOCATION

The Committee were updated on the likely allocation for 2009/10. Although the cash position remained static there was a real term reduction, 14-16 funding had reduced and 19+ funding increased. The employer responsive allocation was still under negotiation as the current levels were 19% down on the current year. Final allocations were expected by mid May and would be reflected in the budget currently under way.

Members noted the report.

**12. PAY UPDATE 2009/10**

The Committee were advised as to the position with respect to the implementation of the 2004 national pay agreement. Affordability was a key factor in the agreement but implementation of the agreement had been upheld in the last two years. Unions were now seeking assurances for a commitment that the agreement would be implemented in full. Work had progressed in the negotiations and a report would be brought to the July meeting to include the progress made on job evaluation with support staff.

Members noted with disappointment the national union pay claim submitted for 2009/10 of 6%. Given the current positive local relationship with the unions the balance between national and local negotiations would be managed carefully in the coming months and progress would be reported in July.

The report was noted.

**13. ACCOMMODATION STRATEGY UPDATE**

The report outlined the updated position of the national capital crisis. The implications on the College's Accommodation Strategy was continuing to be worked through along side alternative forms of financing. The overall strategy would be limited by the College's borrowing capacity and needed to change to consider smaller projects of refurbishment and redevelopment.

Members noted that David Hughes, LSC officer in charge of capital, was due to visit the College that week and an update on the criteria for the second wave of projects would be given at the residential. Members noted the importance of retaining good financial results in order to finance future refurbishment and developments from reserves.

The report was noted.

**14. CONFIDENTIALITY OF BUSINESS**

The Committee determined the papers marked confidential would remain confidential due to the commercial sensitivity of the information. The confidential minute relating to the discussion under items 5, 6 and 7 would be retained as confidential due to commercial sensitivity.

**15. DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 9 July 2009.

The Chair closed the meeting at 9.55 am.

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

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