

# BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

## FINANCE & RESOURCES COMMITTEE

Minutes of a Meeting held on Wednesday 28 November 2007 at 5.00pm

<b>Membership:</b>	* Lynne George	Local Authority Member	Chairman
	* Judith Armstrong	Principal	
	George Batho	Business Member	
	Mike Howe	Co-opted Member	
	* Chris Turner	Co-opted Member	
	Vacancy (MR)		
	Vacancy (PWi)		
	* Member present		
<b>Quorum:</b>	3 Members required	3 present	Meeting quorate
<b>In Attendance:</b>	Simon Burrell	Clerk to the Corporation	
	David Moir	Deputy Principal Finance & Resources (DPFR)	
	Pete Phillips	Deputy Principal Curriculum & Quality (DPCQ)	
		(from Minute 64)	

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### PART 1 – NON CONFIDENTIAL MINUTES

#### 58. APOLOGIES FOR ABSENCE

George Batho, Mike Howe, Claire King (Head of Finance), Pete Phillips (Deputy Principal) late arrival.

#### 59. APPOINTMENT OF CHAIRMAN OF THE COMMITTEE

Lynne George was elected Chairman of the Committee for a two year term of office commencing on the 28 November 2009.

(Proposed by Chris Turner, seconded by Judith Armstrong)

#### 60. DECLARATIONS OF INTEREST

There were no declarations of interest made.

#### 61. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

#### 62. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 28 June 2007 were confirmed and signed by the Chairman.

## 63. MATTERS ARISING

### 1. Financial Regulations (Minute 54)

*(The Clerk to the Corporation made a declaration of interest as his name appeared in the list of contractors that exceeded the £5k limit set in Financial Regulations. It was agreed that the Clerk did not need to withdraw from the meeting as his contractual terms of appointment had been approved by the Corporation following a formal tender process)*

The DPFR tabled a report for Members information. He advised that Auditors had raised their concerns that issuing multiple orders to individual suppliers could breach Financial Regulations, if the cumulative total of all orders issued in any one year exceeded the £5k minimum limit set, whereby formal tenders would then be required. He further advised that Financial Regulations and internal processes had been updated to cover this eventuality. In addition, the Finance Department was now able to monitor such matters more closely, and could advise when a supplier exceeded this limit. Budget holders would then be informed, and would need to obtain formal quotes as per Financial Regulations. The Chairman suggested that there was also the need to consider the overall procurement policy of the College as there was a link with purchasing etc.

The report was noted.

## 64. FINANCIAL STATEMENTS 2006/07 AND LETTER OF REPRESENTATION

The Financial Statements 2006/07 were received and considered. The DPFR advised that the Financial Statements Auditor had reviewed fully the Financial Statements and Regularity position, and had given an unqualified opinion to both elements.

The DPFR took Members through the reports and advised that the End of Year position showed a reduced surplus of £43k (£211k surplus in 2005/06). He advised that this differed from the predicted surplus shown in the Management Accounts of circa £440k, as the Financial Statements included exceptional expenditure for health & safety and property strategy that were shown as 'below the line' in the Management Accounts. He also advised that the Balance Sheet was strong.

The DPFR referred Members to the Management Letter of the Financial Statements Auditor. He advised that the Financial Statements Auditor had made a recommendation regarding the conflict of interest position of the Director of Developments & Partnerships (Alan Gwyer) and the bookshop proposal submitted by Blackwell UK (who employed Alan's daughter). The DPFR assured Members that the DPCQ had now assumed full responsibility for this proposal, and was in the process of undertaking a full review, in line with comments raised by the Financial Statements Auditor. Chris Turner (Member) highlighted the difficulties that the University of Winchester faced when seeking to provide a similar facility, and stressed that, in their experience, any such bookshop was unlikely to be financially viable during the first 3-4 years of operation. It was agreed that the DPCQ would liaise with Chris Turner and his appropriate colleagues regarding this matter. **ACTION: DPCQ**

**It was RESOLVED to RECOMMEND to the CORPORATION that:**

- 1. the Financial Statements 2006/07, showing a surplus of £43k, be agreed,**
- 2. the Letter of Representation to the Financial Statements Auditor be agreed, and signed on behalf of the Corporation.**

*(The DPCQ joined the meeting)*

## 65. FINANCIAL PERFORMANCE 2006/07

A written report was received and considered. The DPFR took Members through the report and outlined those areas that showed differences between the original budget and the actual End of Year position. The Chairman highlighted an inconsistency in the same amounts shown for the same item on different pages within the report.

65. (cont)

Members also raised the issue related to the current College pay scales vis a vis the national pay scales. The DPFR advised that the College scales were approx 2.8% below the national scales. He stressed that the cost of a pay award was approx £100k per 1%. However, it was noted that following recent staff meetings, and the results of the last Staff Satisfaction Survey, pay did not feature as a strong 'issue'. In fact, concern had been expressed by some Curriculum Managers at the potential removal of the bar in the lectures pay scale! The Principal did, though, outline the problems of recruitment as inclusion of the bar gave a shorter pay scale and did not help in recruiting new lecturing staff to the College. She stressed that the achievement of the national pay scales was included in the current Strategic Planning cycle.

The report was noted.

66. **MANAGEMENT ACCOUNTS 2007/08**

The Management Accounts for the period to September 2007 were received and noted. The DPFR tabled the Management Accounts for the period to October 2007 and advised that there was very little of note at the current moment in time. However, he did raise awareness of an area of concern, related to the current underachievement of enrolment targets for i. work based learning, and ii. 16-18 year old students. He stressed that it was still early in the financial/academic year, that enrolments were continuing, and that action had already been taken to reduce planned expenditure as appropriate.

The report was noted.

67. **FRANCHISE PROVISION 2007/08**

A written report was received and noted. The Principal highlighted the current enrolment position of the College's single franchise contract (with NCMA) with 178 enrolments to date, against a target of 600 for the year. She advised that enrolments were on target.

68. **BAD AND DOUBTFUL DEBTS**

A written report was tabled. The DPFR advised that Financial Regulations required the write-off of unpaid debts to be reported to the Committee, and that the Committee was required to approve the write-off of individual debts in excess of £1k.

The DPFR took Members through the report and outlined the processes undertaken by the College and its debt recovery specialist to recoup all debts wherever possible. However, he advised that there were a number of debts that it had not been able to collect for a variety of reasons. Details of those debts were listed in the report.

**It was RESOLVED that:**

1. **The individual debts written-off, each valued at under £1k, totalling £15,048.04, be noted,**
2. **It be agreed that the following individual debts in excess of £1k be written-off:**

i. Mr Samuel Okyere	£2,259.00
ii. Reading Crossroads	£1,575.00
iii. 1 <sup>st</sup> Great Western Link	<u>£1,402.50</u>
	<u>£5,236.50</u>

Members recorded their thanks to all the staff involved for their hard work in controlling bad debt, and in managing to recover the amount of debt that had been possible.

The DPFR advised that a report on bad debt would be made at every F&R Cttee meeting.

**ACTION: DPFR**

**69. STAFF SATISFACTION SURVEY 2006/07 – RESULTS AND ACTION PLAN**

A written report was received and considered. The Principal took Members through the report and highlighted the improved number of completed returns made by staff. She also highlighted the various changes in responses made by staff, and highlighted the 'top 10' and 'bottom 10' statements.

Members noted the overall improvements in responses.

**70. ANY OTHER BUSINESS**

There were no items of Any Other Business discussed.

**71. DATE AND TIME OF FUTURE MEETINGS**

Wednesday 19 March 2008, commencing at 5.00pm  
Wednesday 21 May 2008  
Wednesday 25 June 2008

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(Meeting closed at 7.10pm)

Confirmed as a correct record

Signed:..... Date:.....  
(Chairman)