

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

Minutes of a Meeting held on Wednesday 21 May 2008 at 5.00pm

Membership:	<ul style="list-style-type: none"> * Lynne George * Judith Armstrong * George Batho * Mike Howe * Mike Rushworth * Chris Turner 	<ul style="list-style-type: none"> Member Principal Member Member Member Member 	<ul style="list-style-type: none"> Chairman
Quorum:	3 Members required	6 present, meeting quorate	
In Attendance:	<ul style="list-style-type: none"> * Simon Burrell * David Moir * Pete Phillips * Present at meeting 	<ul style="list-style-type: none"> Clerk to the Corporation (Clerk) Deputy Principal Finance & Resources (DPFR) Deputy Principal Curriculum & Quality (DPCQ) 	

PART 1 – NON CONFIDENTIAL MINUTES

85. APOLOGIES FOR ABSENCE

None received.

86. DECLARATIONS OF INTEREST

There were no declarations of interest made.

87. NOTIFICATION OF ANY OTHER BUSINESS

The DPFR notified one item of Any Other Business.

88. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 19 March 2008 were confirmed as a correct record and were signed by the Chairman.

89. MATTERS ARISING

1. Financial Statements 2006/07 – College Bookshop Proposal (Minute 76.1)

The DPCQ advised that Blackwell UK had made some minor comments regarding the Service Level Agreement, and that they (Blackwell UK) were still planning to sign the Agreement. It was still proposed that the College Bookshop would open in September 2008. **ACTION: DPCQ**

2. Procurement Services (Minute 80)

It was noted that the proposal included a non-recoverable fee of £12.5k in respect of an initial review of systems and services currently operated within the College. It was also noted that it had not been possible to seek tenders for this provision owing to the uniqueness of the service provided by Tenet.

90. MANAGEMENT ACCOUNTS 2007/08

The Management Accounts for the period to April 2008 were received and noted. The DPFR advised that he was still forecasting an end of year position of a surplus of £269k (original budget surplus of £566k).

In response to a question from a Member, the DPFR advised that he anticipated the overall final costs of the agreed capital project items to be under-budget, despite two specific items being over-budget.

It was also noted that the cash-flow position would be in line with the budget by the end of the current year.

91. PROVISIONAL FUNDING ALLOCATION 2008/09

A written report was received for information. The DPFR advised that he anticipated most LSC funding streams would be reduced in 2008/09. However, he expected a small increase in LSC 16-18 funding based on the revised funding methodology and using the same standard learner numbers as achieved in 2007/08, along with an increase in HE fees. He was, though, currently forecasting an overall reduction of £519k in LSC based funding streams.

The DPFR stressed that the greatest concern was the large reduction proposed by the LSC to ALS (Additional Learning Support) funding from £899k to £750k, despite the continuing recruitment of an increasing number of learners on Level 1 programmes.

The DPFR advised that the SMT were currently working on a number of scenarios regarding a proposed budget for 2008/09 and would be making proposals at the next meeting of the Committee.

ACTION: DPFR

92. FINANCIAL STRATEGY: 2007/08 – 2011/12

A written report was received and considered. The DPFR advised that the Strategy aimed to set-out a financial framework for the College to operate within. He stressed that it had been developed around the key requirement of the Articles of Government regarding the Corporation's responsibilities in safeguarding assets and ensuring solvency. He also stressed that the financial strategy supported the Strategic Plan for the delivery of learning.

The Chairman of the Cttee highlighted the need for the Financial Strategy to be linked to the College Budget process, and that there should be clear identification of where the budget achieved or did not achieve against the key financial performance indicators outlined on page 6 of the report.

Members also made a number of other comments that the DPFR agreed to consider and incorporate where appropriate. The DPFR would provide a modified version to the next meeting of the Committee.

ACTION: DPFR

It was proposed that an outline of the Financial Strategy should be provided to the Corporation, specifically highlighting the financial performance indicators contained in the report. **ACTION: DPFR**

93. FINANCIAL BENCHMARKING

A written report was received for information. The DPFR highlighted the key outcomes of the recent benchmarking exercise undertaken by Tribal. He advised that, broadly, the curriculum costs were under resourced, but that non-curriculum costs were better resourced when compared to national benchmarks. He also advised that the College's pay scales were approx 2.8% below national averages. The report was noted.

94. STUDENT TRAVEL SUBSIDY 2009/10

A written report was received and considered. The DPCQ proposed that the Student Travel Subsidy 2009/10 should continue at the same levels agreed for 2008/09, and that the total cost to the College would be £207k (£90k of which would be assessed from Learner Support funds). He confirmed that the Subsidy applied to full time 16-18 year old students only. He also advised that some 350 students benefited from the rail subsidy and 200+ from the bus subsidy.

It was RESOLVED that the Student Travel Subsidy scheme for 2009/10 be agreed, based on the same levels of subsidy (rail = 60%, bus = 30%) as applied for 2008/09, at a total cost of £207k.

(Proposed by Mike Howe, Seconded by George Batho)

95. FRANCHISE CONTRACT (NCMA)

A written report was received and considered. The Principal took Members through the report and advised that the contract represented a low financial risk to the College, and was based on actual enrolments. She advised that current enrolments were at 435, and were expected to reach the end of year target of 600.

The Principal advised that NCMA had proposed a revised target of 320 for 2008/09, and that the contract was subject to LSC approval.

It was RESOLVED to RECOMMEND to the CORPORATION that the contract with NCMA for 2008/09 be agreed, based on an enrolment target of 320 students.

(Proposed by Mike Rushworth, Seconded by Mike Howe)

96. PERSONNEL MATTERS

A written report was received and noted. The Principal updated Members on a range of personnel related matters. In particular, she advised that a new Head of Finance Dept had been appointed, and that shortlisting was currently being undertaken for the Head of Personnel Dept.

97. ANY OTHER BUSINESS

1. Draft Budget Planning Scenarios 2008/09

The DPFR tabled a briefing paper outlining a number of planning scenarios for the budget 2008/09 based on known funding allocations to date. He stressed that there would be a need to consider reduced expenditure as a result of all options.

Members considered the scenarios outlined and agreed that the SMT should base the proposed budget 2008/09 around Scenario 3 – aiming for a budget surplus of 1.6%.

98. DATE AND TIME OF FUTURE MEETINGS

(All meetings commence at 5.00pm unless otherwise stated)

Wednesday 25 June 2008
Wednesday 3 December 2008

(Meeting closed at 6.50pm)

Confirmed as a correct record

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