

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

Minutes of a Meeting held on Wednesday 3 December 2008 at 5.00pm

Membership:	* Lynne George	Member	Chairman
	* Judith Armstrong	Principal	
	* George Batho	Member	
	Mike Howe	Member	
	* Mike Rushworth	Member	
	Chris Turner	Member	
Quorum:	3 Members required	4 present, meeting quorate	
In Attendance:	* Bill Blythe	Head of Finance (HOF)	
	* Simon Burrell	Clerk to the Corporation (Clerk)	
	* Alan Gwyer	Dir of Business Development (DBD) (Minute 121 only)	
	* David Moir	Deputy Principal Finance & Resources (DPFR)	
	* Pete Phillips	Deputy Principal Curriculum & Quality (DPCQ)	
	* David Thoms	Tenet Educational Services Ltd (Minute 114 only)	
	* Present at meeting		

PART 1 – NON CONFIDENTIAL MINUTES

112. APOLOGIES FOR ABSENCE

Mike Howe, Chris Turner.

113. COLLEGE PROCUREMENT SERVICES

The DPFR tabled a report detailing progress on procurement matters. He outlined the background to the appointment of Tenet and advised that three key issues had been identified for Tenet, namely:

1. Where savings had already been identified and made,
2. Where savings could be targeted,
3. Where there were no savings to be targeted.

David Thoms advised that the service commenced on 1 April 2008, and that Tenet had appointed a dedicated Procurement Officer (PO) on a half-time contract, (shared with East Berkshire College for the remaining 50% of his time). The PO reported to a Procurement Manager at Tenet's head office, who reported to the Procurement Director (David Thoms). The College Managers present at the meeting expressed their satisfaction with the service offered, and with the individual appointed as the PO.

Mr Thoms further advised that during the initial setting-up of the processes and procedures, there had been some initial 'teething problems' primarily related to coding matters, but these had now been resolved, and a new coding system introduced from 1 August 2008. He also outlined the possibility of the College and Tenet bidding for some specific project funding from the LSC in relation to the introduction of procurement services in colleges.

Mr Thoms also advised that, following initial reviews across the College, target savings of:

2008/09	£50k (plus VAT)
2009/10	£110k (plus VAT)
2010/11	£171k (plus VAT)

had been agreed, against a contract cost (over the three year period of the contract) of £109,500 (plus VAT).

David Thoms referred Members to Appendix 2 of the report that identified the areas where savings could be made. He also gave Members specific examples where significant savings had already been achieved through contract reviews, such as the waste collection contract (saving of £17k – approx 50% of original contract), mechanical services (savings of £20k – 20% of original contract).

In operating the contract, Mr Thoms informed Members that one of the prime aims of the procurement service was to question the specifications of various contracts to ensure that the College received the level of service that it wanted. He also paid tribute to the College for the good level of management of some existing contracts, eg. stationery and photocopiers, where he felt that there were very few additional savings able to be identified.

In considering the level of predicted savings outlined in the appendix to the report, Members requested that the schedule be amended to reflect the actual savings achieved. It was also agreed that there should be a six-monthly update report presented to the Committee covering the periods April – Sept and October – March. **ACTION: Tenet**

The DPFR confirmed that budgets would be reduced to reflect the savings achieved. He also advised that processes were being put in place to monitor the impact that the procurement service was having within the College.

The HOF advised that the Monthly Management Accounts were also due to be amended in order to show costs and savings achieved as a result of the introduction of the procurement service.

Members were pleased to receive the report, and noted the good progress made to date.

114. DECLARATIONS OF INTEREST

All College staff present declared an interest in the pay award, incorporated in various agenda items.

115. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

116. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 25 June 2008 were confirmed as a correct record and were signed by the Chairman.

117. MATTERS ARISING

There were no Matters Arising discussed, not covered elsewhere on the agenda.

118. FINANCIAL STATEMENTS 2007/08 AND LETTER OF REPRESENTATION

A written report was received and considered. The HOF took Members through the report and advised that the end of year position was a surplus of £319k, marginally above the revised forecast set in January 2008. He further advised that the financial performance indicators agreed previously by the Committee and Corporation showed good results. He also advised that the College remained in a strong financial position, with a positive set of results.

In response to a question, the HOF advised that the College currently had £1.7m invested with Butterfields Bank. Andy Williams (Co-opted member of the Audit Ctte) had offered to meet with the DPFR and HOF to review the College's investment portfolio and to assess the viability of the banks concerned because of the current economic climate. A revised Investment Strategy would be presented to the Ctte if appropriate.

The HOF advised that BCOT Enterprises had been formally closed on 31 July 2008, and the final figures included within the main College financial statements. BCOT Enterprises had ended the year with a loss of £14k, of which £12k related to stock (mainly text books) that had been written-off.

The HOF confirmed that the Audit Ctte had reviewed the Management Letter issued by the Financial Statements Auditor (FSA), and advised that the FSA had issued an unqualified report.

It was RESOLVED to RECOMMEND to the CORPORATION that the financial statements 2007/08, showing a surplus of £319k, be received and agreed, and that the Letter of Representation be signed on behalf of the Corporation.

(Proposed by George Batho, Seconded by Lynne George)

119. FINANCIAL PERFORMANCE (FP) 2007/08

A written report was received and noted. The HOF advised that the FP was mainly in line with forecasts, but he highlighted two exceptional items of income that had a positive impact on the end of year results, namely:

1. Additional income of £57k from ESF and Leonardo funding,
2. £9k not now due to be reclaimed by SEEDA.

The HOF also advised that the financial statements for 2007/08 included the net expenditure related to the Property Strategy. However, these would be capitalised in due course when the project was approved formally, and a major adjustment made to the accounts at the end of the current year.

The HOF also advised that 2007/08 had been a relatively stable year for funding via the LSC, but that 2008/09 was likely to be more unstable owing to the revised funding methodology that now included in-year clawbacks. He also confirmed that there was some opportunity to earn additional income if targets were exceeded, but only in a limited number of employer-related programmes.

The Ctte was pleased to note the continuing positive financial results being shown by the College and congratulated college management accordingly.

120. MANAGEMENT ACCOUNTS 2008/09

The Management Accounts for the period to 31 October 2008 were received and noted. The HOF advised that the current operating position showed a surplus of £2.494m, but that this would reduce during the remainder of the year in line with the budget forecast.

The HOF also advised that he was pleased with student recruitment. However, fee income collection was marginally below forecast, primarily due to an increase in 16-19 students (non fee-paying) and also because some employers were slow in paying invoices. Aged debts were lower than at the same period for 2007/08, mainly as a result of rigorous debt chasing procedures. Cash flow was also strong at present, but would reduce considerably as the Property Strategy proceeded.

121. PARTNERSHIP PROVISION

1. NCMA Provision

A written report was received and considered. The Principal highlighted the success of the NCMA programme in recruiting 570 students against a target of 600 in 2007/08. Recruitment for 2008/09 was 93 against a full-year target of 320, with enrolments continuing throughout the year. Members questioned why the target for 2008/09 had been reduced by nearly 50%. The Principal agreed to seek an answer from NCMA and report back at the next meeting. **ACTION: Principal**

2. Partnership Activities Entered Into By The Business Unit

A written report was received and noted. The DBD outlined three contracts currently being offered through Train to Gain. He advised that all three reflected the business model to deliver high quality training by individuals with expertise within their respective professions. The College oversaw all programmes, and interviewed all students before commencement on their programmes. The DBD also advised that, in his opinion, the operation of the programmes gave minimal risk as there were rigorous controls in place to mitigate any potential problems. He further advised that the contract with QTT in respect of Level 2 Road Passenger Transport was due to be terminated at the end of the (calendar) year as the College had now recruited its own member of staff to deliver the programme in-house from 1 January 2009.

122. BAD AND DOUBTFUL DEBTS

A written report was received and considered. Members noted that the total amount of debts written-off by College Management since the last meeting of the Ctte (in line with Financial Regulations) was £6,867.82.

The HOF advised that there was one long-term outstanding debt in excess of £1k, that he proposed be written-off by the Committee, in line with the Financial Regulations. Details of the debt were contained within the report.

It was RESOLVED that the debt of £1,292.50 in respect of B A Plumbing be written-off.
(Proposed by Mike Rushworth, Seconded by Lynne George)

123. PERSONNEL ACTIVITIES AND PRIORITIES

A written report was received and noted. The Principal took Members through her report and highlighted a number of ongoing developments related to personnel matters. She reminded Members that it had not been possible to recruit an HR Manager, and that current thinking was that the level of the post needed to be reviewed as it might be considered to be a more senior level appointment. This matter would be brought to the attention of the new Principal when they had been appointed.

124. STAFF SATISFACTION SURVEY 2007/08

A written report was received and considered. The Principal advised that she was very pleased with the results of the survey, despite the lower number of completed questionnaires returned (159 compared to 201 in 2006/07). However, the underlying trend was a continuing higher level of overall satisfaction by staff.

125. ESTATES MATTERS

1. General Estates Matters

The DPFR advised that there would be some improvement works undertaken during the Christmas vacation period, in order to create an additional computing room.

2. Property Strategy Update

The DPFR advised that it was still planned to submit the AIP at the end of January 2009. He updated Members on progress to date. He also advised that Lemon Land had now submitted the full outline planning application, and an initial outcome was expected from B&DBC in March 2009.

126. ANY OTHER BUSINESS

There were no items of Any Other Business discussed.

127. DATE AND TIME OF FUTURE MEETINGS

(All meetings commence at 5.00pm unless otherwise stated)

Wednesday 18 March 2009
Wednesday 20 May 2009
Wednesday 24 June 2009

(Meeting closed at 7.15pm)

Confirmed as a correct record

Signed:..... Date:.....