

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

Minutes of a Meeting held on Tuesday 1 December 2009 at 4.30pm

Membership:	*	Lynne George	Member	Chairman
	*	George Batho	Member	
	*	Anthony Bravo	Principal	
	i	Mike Howe	Member	
		Vacancy (MR)	Member	
		Vacancy (CT)	Member	
Quorum:		3 Members required	3 present at start	Meeting quorate
In Attendance:	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	ii	Sarah Meeson	Head of HR (HHR)	
	*	Present at meeting		
	i	From Minute 178		
	ii	To Minute 180		

PART 1 – NON CONFIDENTIAL MINUTES

173. APOLOGIES FOR ABSENCE

Mike Howe (late arrival).

174. DECLARATIONS OF INTEREST

There were no declarations of interest made.

175. NOTIFICATION OF ANY OTHER BUSINESS

The DPFR notified one item of Any Other Business to be considered as part of Agenda Item 14: General Estates Update (see Minute 186).

176. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 30 June 2009 were confirmed as a correct record and were signed by the Chairman.

177. MATTERS ARISING

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

178. FINANCIAL STATEMENTS 2008/09 AND LETTER OF REPRESENTATION

A written report was received and considered. The DPFR advised that, following a thorough review of the accounts by the Financial Statements Auditor, the end of year position showed an operating surplus of £586k. He also advised that the Financial Statements Auditor had issued an unqualified opinion on the accounts. He referred Members to the Consolidated Income & Expenditure Account and advised that the actual operating surplus had been £1.043m before the costs of the property strategy (at a net cost of £457k) had been deducted.

The DPFR advised further that pension provision had increased by more than £2m, and had effectively 'wiped-out' the general reserve. He stressed that the pension liability currently stood at £4.64m (an increase of £2.57m on the previous year).

He also referred Members to the Financial Statements Auditor's management letter and advised that the Auditor had made one recommendation arising from his review of the accounts.

(Mike Howe joined the meeting)

Members questioned the form of wording used in the Statement of Corporate Governance and Internal Control section of the Members Report. It was felt that the statements relating to the role of the Corporation, Audit Cttee and Senior Management Team in risk assessment were misleading. The DPFR was requested to clarify matters with the Financial Statements Auditor. **ACTION: DPFR**

Members considered the Accounts, Financial Statements Auditor's management letter and Letter of Representation.

It was RESOLVED to RECOMMEND to the CORPORATION that the Financial Statements 2008/09 be agreed, and that the Letter of Representation be agreed and signed.

(Proposed by George Batho, Seconded by Lynne George)

179. HR ACTIVITIES AND PRIORITIES

A written report was received and considered. The HHR took Members through the report and highlighted a number of initiatives that were currently being undertaken by the HR Dept.

In particular, the HHR advised that College Managers were being empowered to be more responsible for HR matters within their areas of activity, with the HR Dept offering advice and guidance as and where appropriate. She confirmed that appropriate training was being undertaken to assist those managers in their new responsibilities.

With regards to job evaluation, the HHR advised that the results from the recent process had not been very unusable, and that she was currently undertaking a review of the process to identify whether any parts of it could be used, or whether to start the process again with a more appropriate system.

180. STAFF SATISFACTION SURVEY 2008/09

A written report was received, considered and noted. The HHR advised that the ongoing results continued to show improvements in satisfaction, and that she was pleased with the increased number of returns made by staff.

The HHR advised that many staff still appeared to be not satisfied with the level of communications, but in reviewing the completed returns she felt that responses to other questions seemed to show that there had, in fact, been improvements in communications.

In response to a question from a Member, it was confirmed that the Principal undertook a number of feedback sessions to staff where he was able to meet and discuss a range of issues with them.

(Sarah Meeson left the meeting)

181. FINANCIAL PERFORMANCE 2008/09

A written report was received and considered. The DPFR advised that the report compared the last financial year's outturn (2008/09) with that of 2007/08. He took Members through the report and outlined the financial performance of the College. He highlighted the ongoing increase in student numbers over the past five years. However, he advised that because of the LSC's current funding methodology the College had undertaken work valued at £400k for which no funds had been provided because the LSC had 'capped' various funding activities.

(Anthony Bravo left the meeting)

In summarising the overall position, the DPFR advised that during 2008/09 the College had:

- Received £1m additional income than had been budgeted for at the start of the year,
- Pay costs had increased slightly (£11.970m to £12.053m)
- Non pay costs had increased by £100k to £6.307m)
- The final surplus (£586k) compared very favourable to the original budget forecast of a surplus of £259k

182. MANAGEMENT ACCOUNTS 2009/10

The Management Accounts for the period to 31 October 2009 were received and noted. The DPFR informed Members that he had reduced the forecast end of year result from a surplus of £522k to a surplus of £362k. He advised that he had made this decision based on forecast increased income of £129k, but with corresponding increased expenditure of £289k, resulting in a net reduction of £160k in the surplus.

Members discussed the Management Accounts 2009/10 and requested that future versions show more clearly the 'split' between core and non-core activities. **ACTION: DPFR**

183. BAD DEBT WRITE-OFF

A written report was received and considered. The DPFR advised that, in the period since the last meeting of the Ctte, debts to the level of £738.51 had been written-off. He advised further that the Debt Recovery Agent had confirmed that all appropriate routes for recovery had been exhausted, and that the debtors concerned had no assets to off-set their debts.

However, the DPFR advised that one debt that was unrecoverable required Ctte approval to be written-off. The debt amounted to £1,900 and details of the actions taken to try to recover the debt were outlined in the report. He advised further that the company concerned (HSES Ltd) had gone into liquidation, and that the Liquidators had advised that the debt was irrecoverable.

It was RESOLVED that the debt of £1,900 in respect of unpaid fees by HSES Ltd be written-off.

184. PARTNERSHIP PROVISION

Written reports were received, considered and noted. The DPFR outlined progress in relation to six (6) franchise partners and highlighted the expected net funding to the College for each contract.

Members requested that future reports be merged to summarise details of all the contracts, to highlight if each one was on target, and to raise any issues related to them. The DPFR advised that he also proposed to show in future Monthly Management Accounts more financial detail for the contracts. **ACTION: DPFR**

185. COLLEGE PROCUREMENT SERVICES

1. Six Monthly Progress Report

A written report was received and considered. The DPFR advised that the report highlighted the work of the procurement service to date, and showed that good progress was being made to achieve the target savings through a wide range of activities. He also advised that the Procurement Officer was currently reviewing the curriculum departments and their financial spend in order to identify potential savings in those areas.

The DPFR re-affirmed that the procurement service target was to achieve a saving of £331k by the end of their contract in January 2012.

2. Tendering the IT Contract

A written report was received and considered. The DPFR advised that as part of the procurement service, Tenet would oversee the tender process. A programme/timetable for the process was received and considered.

The DPFR also advised that there was consideration to the College submitting an in-house bid. An external consultant would be contracted to oversee the preparation of any such bid.

In response to a question from a Member, the DPFR advised that the staff currently employed by Research Machines (provider of the existing service) would become employees of any new provider through TUPE arrangements.

The DPFR highlighted that there would be considerable capital investment required linked to the implementation of the new IT vision for the College. Members stressed the need for the Corporation to be involved in the process and requested that an outline of the vision be given to Members at the Development Day scheduled for February 2010. **ACTION: PRINCIPAL/DPFR**

Members considered the proposal to go out to tender.

It was RESOLVED that the process to tender for the provision of IT services be agreed, with a presentation of the vision being made to the Corporation, along with consideration of the capital investment implications.

(Proposed by Lynne George, Seconded by Mike Howe)

186. GENERAL ESTATES UPDATE

The DPFR advised that expenditure on estates related matters for the main campus would increase during the current year. He stressed that this was in order to undertake a number of pressing repair and maintenance matters, and the need to see some improvements in the College estate now that the capital project was not proceeding. He reminded Members that expenditure in previous years had been kept 'low' because of the potential new build proposals.

The DPFR tabled a report outlining a proposal to appoint a property consultant to undertake a detailed condition survey of the current estate and to develop a feasibility study for the development of the Worting Road campuses. He proposed that Drivers Jonas (DJ) be appointed as the lead consultant for this work, based on their detailed knowledge of the College, their established good links with senior officers at BDBC and their detailed understanding of the planning department, both personnel and policies.

The DPFR further advised that the process would take around four months to complete. The outcome would be a masterplan for the development of the site that would meet the requirements of the local planning department. He advised that DJ had submitted a formal proposal based on a fee of £60k + VAT, but he (the DPFR) had negotiated a 10% discount on the fee.

Members considered the proposal.

It was RESOLVED that Drivers Jonas be appointed to undertake a detailed condition survey and to prepare a masterplan at a cost of £54k + VAT that included architects fees, planning advice and consultancy time.

187. ANY OTHER BUSINESS

1. Appointment of Property Consultant

See Minute 186 above.

188. DATE AND TIME OF FUTURE MEETINGS

(All meetings commence at 5.00pm unless otherwise stated)

Wednesday 10 March 2010

Wednesday 19 May 2010

Wednesday 23 June 2010

(Meeting closed at 7.45pm)