

BASINGSTOKE COLLEGE OF TECHNOLOGY CORPORATION

FINANCE & RESOURCES COMMITTEE

Minutes of a Meeting held on Wednesday 19 May 2010 at 5.00pm

Membership:	*	Lynne George	Member	Chairman
	*	George Batho	Member	
	*	Anthony Bravo	Principal	
		Mike Howe	Member	
	*	Gary Livingstone	Member	
		Richard Wareham	Member	
Quorum:		3 Members required	4 present at start	Meeting quorate
In Attendance:	*	Simon Burrell	Clerk to the Corporation (Clerk)	
	i	Sarah Meeson	Director of HR (DHR)	
	*	David Moir	Deputy Principal Finance & Resources (DPFR)	
	*	Brian Theobald	Head of Finance (HOF)	
	*	Present at meeting		
	i	Minute 214 only		

PART 1 – NON CONFIDENTIAL MINUTES

202. APOLOGIES FOR ABSENCE

Mike Howe, Richard Wareham.

203. DECLARATIONS OF INTEREST

There were no declarations of interest made.

204. NOTIFICATION OF ANY OTHER BUSINESS

There were no items of Any Other Business notified.

205. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 10 March 2010 were confirmed as a correct record and were signed by the Chairman.

206. MATTERS ARISING

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

207. MANAGEMENT ACCOUNTS 2009/10

The Management Accounts for the period to 30 April 2010 were received and noted. The HOF informed Members that following a further review of the Accounts he was currently forecasting a revised surplus of £427k (original budget surplus £523k), a slight reduction in the previous forecast of a surplus of £440k. He advised that he had now 'split' the Accounts to show core and non-core activities, and highlighted the forecast outturns as:

207. (cont)

Core activities	Gross income	£18.3m	Forecast surplus	£164k
Non-core activities	Gross income	£1.157m	Forecast surplus	<u>£263k</u>
Total:				£427k

The HOF also advised that the Accounts showed the financial position for core activities as being ahead of target, but stressed that there were a number of large items of expenditure due in the following month that he anticipated would return the Accounts to target. He advised further that the cash flow was also ahead of forecast.

It was noted that the level of bad debt had risen slightly, mainly due to outstanding income due from the Student Loan Company (SLC) in respect of tuition fees. The HOF advised that the SLC normally made bulk payments twice per year rather than against each invoice raised by the College.

The Principal highlighted the need to consider very carefully the position for the forthcoming year because of the need to be more stringent with funding because of the various planned cuts being imposed on College budgets. He suggested that when the Corporation considered whether any pay awards should be granted for the new year he proposed that these should be considered as unconsolidated.

The report was noted.

208. FUNDING ALLOCATION 2010/11

A written report was received and considered. The DPFR advised that 16-18 had been increased by £800k, based solely on increased enrolments in 2009/10. He also advised that adult funding had been cut by £700k, and that all adult non-priority provision would be moved to full-cost recovery. There would also be an overall reduction in adult provision of around 10% in the next year.

A proposed budget for 2010/11 would be presented to the Committee at its next meeting.

ACTION: DPFR

209. PROCUREMENT UPDATE

A written report was received and considered. The DPFR advised that the savings achieved by the procurement service were ahead of target, and that they had already achieved the following year's target. He stressed that revised targets would now be set in order to ensure that Tenet continued to achieve ongoing savings for the College.

The DPFR also advised that he was slightly disappointed that Tenet had not achieved savings in those areas he had anticipated. He stressed that in setting revised targets for Tenet he would outline specific areas for them to review. In response to a question from a Member he advised that he would also be discussing with Tenet the possibility of changing the Procurement Officer allocated to the College.

The report was noted.

210. PARTNERSHIP PROVISION

1. Current Provision

A written report was received and considered. The DPFR advised that enrolments of the current contracts were good, and that there were no concerns with performance.

2. Proposal for New Contract – Lean Education and Development (LEAD)

A written report was received and considered. The DPFR advised on a proposed new contract with LEAD for 200 enrolments that would achieve gross indicative funding of £326,400. The gross income would be evenly split between LEAD and the College, each achieving £163,200.

It was RESOLVED to RECOMMEND to the Corporation that the proposed contract with Lean Education and Development, based on 200 indicative enrolments achieving total indicative funding of £326,400 be agreed.

(Proposed by Lynne George, Seconded by George Batho)

211. BAD AND DOUBTFUL DEBTS

A written report was received and noted. The HOF advised that in the period since the last report bad debts to the value of £792.74 had been written-off in line with the College's Financial Regulations. He confirmed that all possible actions had been undertaken to recover the debts concerned.

The HOF also advised that he had identified up to £7k of old debt that may have to be written-off at some point in the near future, owing to a variety of reasons including insolvency etc. However, he advised further that the overall level of old debt continued to decrease.

212. FEES POLICY

A written report was received and considered. The DPFR advised that the fee levels for adult provision was proposed to be increased significantly in line with government policy and cuts to adult funding.

It was RESOLVED to RECOMMEND to the Corporation that the Fee Policy 2010/11 be agreed.

(Proposed by Gary Livingstone, Seconded by Lynne George)

213. IT UPDATE

A written report was received and considered. The DPFR outlined the process undertaken regarding the provision of a new IT strategy. He advised that it was proposed to appoint European Electronique (EE) to offer the new service that would be operating from 6 September 2010. Implementation of the new software and appropriate hardware would be undertaken during the summer. He also advised that an interim IT Manager had been appointed to oversee the introduction of the strategy, and that a new SMT level appointment of a Director of IT was being progressed.

The DPFR advised that the impact of the new IT Strategy on the College budget would be £415k, including the appointment of the Director of IT, compared to £468k in 2009/10 (excluding the SMT post).

The DPFR proposed that EE make a presentation to the Cttee at the next meeting about their proposals for the implementation of the IT Strategy. **ACTION: DPFR**

214. PERSONNEL UPDATE

A written report was received and noted. It was noted that a considerable amount of work had been undertaken in the period since the last meeting of the Committee. Members sought clarification from the DHR on a number of matters raised in her report. In particular the DHR advised that the proposed job evaluation scheme had now been 'parked' following a recommendation not to proceed with it. However, she advised that where an individual was particularly unhappy with the grading of their job a specific review would be undertaken of that post.

The DHR also advised that three members of the Education Team (formerly the Teachers Support Unit) had been put on notice of redundancy.

215. ESTATES UPDATE

A written report was received. The DPFR updated Members on proposals for the development of a 10-year planned preventative maintenance programme along with details of proposed summer holiday works. He advised that the summer works were costed at £580k (incl VAT).

The DPFR advised further that Tenet had undertaken a review of potential costs for the summer works and had advised that Skilz offered the best value for money. He also advised that Tenet had confirmed that there was not a need to go through the European Journal tender publication process as the original tender of 2006 included rates for additional works such as those proposed for the summer holiday period. However, it was noted that the College's Financial Regulations required three competitive tenders to be sought unless there was a formal resolution made to waive this requirement.

215. (cont)

It was RESOLVED that the Financial Regulation relating to the need for three competitive tenders be waived and that the contract for the summer 2010 works be placed with Skilz.

(Proposed by Lynne George, Seconded by Gary Livingstone)

216. ANY OTHER BUSINESS

There were no items of Any Other Business discussed.

217. DATE AND TIME OF FUTURE MEETINGS

(All meetings commence at 5.00pm unless otherwise stated)

Wednesday 23 June 2010
Wednesday 1 December 2010
Wednesday 23 March 2011
Wednesday 18 May 2011
Wednesday 22 June 2011

(Meeting closed at 7.06pm)