

**PRESENT**

Mr Ray Elgy	Independent Member
Dr Barbara Spittle	Independent Member
Mr Lorne Benham	Business Support Staff Member
Mrs Jayne Dickinson	Acting Principal

**APOLOGIES FOR ABSENCE**

Mr Andrew Baird	Independent Member
Mr Jeremy Goodwin	Interim Vice Principal: Curriculum and Standards

**IN ATTENDANCE**

Mr Michael Axelrod	External Co-opted Member: Audit Committee
Ms Mitzi Gibson	Director of HR and Professional Development
Mrs Ann-Christine Harland	Vice Principal: Finance and Resources

**CLERK**

Mr Melvyn Cass	Clerk to the Corporation
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In the absence of the Mr Andrew Baird, Chair of the Committee, Dr Barbara Spittle was elected Chair of the meeting.

**FRC.20.11 DECLARATION OF INTERESTS**

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

**FRC.21.11 APOLOGIES FOR ABSENCE**

Apologies for absence were received from:

Mr Andrew Baird	-	business commitments
Mr Jeremy Goodwin	-	business commitments

**AGREED**

The Finance and Resources Committee notes the apologies for absence.

**FRC.22.11 NOTIFICATION OF ANY OTHER BUSINESS**

Members agreed that there was no other business to be considered.

**FRC.23.11 UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 17 FEBRUARY 2011**

The minutes of the meeting were approved and signed as a correct record.

**FRC.24.11 MATTERS ARISING AND ACTION POINTS FROM THE MINUTES OF THE MEETING**

Members agreed that there were no matters arising from the minutes of the meeting and noted that all Action Points arising from the meeting had been addressed to the satisfaction of the Committee.

## Members agreed to bring forward Agenda Item 13

### FRC.25.11 HUMAN RESOURCES REPORT: SUMMER TERM 2011

The Director of HR and Professional Development presented the report on Human Resources for the period to 30 April 2011.

Members considered the detail of the report, in particular

- Staff Utilisation/Efficiencies
- Staff Turnover
- Absence Monitoring
- Equality and Diversity
- Continuing Professional Development
- Investors in People (IIP)
- Policies

Members discussed issues arising from the report, including

- **Exit Interviews:** the changing basis on which staff are leaving the College ie more staff now leave for personal reasons than for career progression
- **Absence Monitoring:** the review of Occupational Health provision
- **Investors in People:** the re-assessment of IIP during week commencing 4 April 2011 as a result of which the College joins the top 2% of organisations across the UK who have achieved the Gold standard.

Members noted that, following legislative changes, amendments have been made to four policies:

- Maternity Leave Policy
- Parental Leave Policy
- Paternity Leave Policy
- Probationary Policy and Procedure

### AGREED

The Finance and Resources Committee

- receives and notes the report
- congratulates the College on the award of IIP Gold standard

### FRC.26.11 COLLEGE POLICIES AND PROCEDURES

The Vice Principal: Finance and Resources presented, for consideration and approval, updates to College policies and procedures.

#### ESC 45 College Fees and Course Costing Policy

The College Fees and Course Costing Policy is reviewed annually following annual guidance on fees and fee remission from the Skills Funding Agency.

Members reviewed the Policy together with the detailed Fees Structure 2011/2012.

Members discussed the complexity of the fees structure and the need to ensure that employers and potential students are able to identify the cost of courses. Members were advised of the basis on which it is possible to identify course fees in the relevant prospectus and of the important role of staff in Client Services in determining individual student fees in the light of personal circumstances.

#### 16-19 Bursary Scheme

Members were advised of the need to open a new bank account to assist the College to administer the new ring fenced 16-19 Bursary Scheme.

### Update to Financial Regulation 14.3

Members were advised that, following staff turnover, retrospective approval was sought for

- new signatories to the College bank account
- authorisation limits of the signatories

#### **Update to Financial Regulation 19.6**

Members were advised that it was necessary to increase the number of credit cards and limits to Executive staff

#### **RESOLVED**

The Finance and Resources Committee approves

- ESC 45 College Fees and Course Costing Policy
- the opening of a new bank account with Natwest Bank entitled 16-19 Bursary Scheme, and associated signatories which are the same as for the current account
- authorised signatories to the College bank accounts, in accordance with the College's Financial Procedures
- the increase in the number of credit cards from two to three with the additional names of Jayne Dickinson and Ann-Christine Harland
- the increase in the monthly limit of the credit cards to £5,000 for each of the three cards, thus increasing the College account limit to £15,000

#### **FRC.27.11 APPROVAL OF CONTRACTS OVER 50K**

The Vice Principal: Finance and Resources advised the Committee of the basis on which consideration had been given, in June 2010, to the facilities management of the new building, with particular regard to mechanical and electrical maintenance and cleaning.

Members were reminded of the agreement to award a 12 month building services contract, in accordance with the expectations of the original building tender document, in the anticipated amount of £75,700 based on benchmark figures for similar buildings.

Members were advised that the contract would normally expire prior to the next meeting of the Committee and that it would be appropriate to consider extending the current contract with Folio in order that formal consideration might be given to the issue at the next meeting.

#### **RESOLVED**

The Finance and Resources Committee approves the extension of the current contract for mechanical and electrical maintenance to Folio up to and including 1 October 2011.

#### **FRC.28.11 RISK MANAGEMENT: SUMMER TERM 2011**

The Vice Principal: Finance and Resources presented a report which provided an update on the assessments and actions for the nine risks assigned to the Committee for 2010/2011.

Members were advised of key changes to the identified risks assigned to the Committee:

- **Risk S8 'Poor alignment of strategic planning and financial planning':** 'Fundamental' risk – no overall change
- **Risk F3 'Exposure through relationships/partnerships with other providers/institutions':** 'Significant' risk – no overall change;
- **Risk S4 'Failure to achieve 16-18 learner targets':** 'Significant' risk – no overall change;
- **Risk S6 'Inability to attract/retain and develop staff with the required mix of skills':** 'Significant' risk – no overall change;

- **Risk O2 'Severe IT failure'**: 'Significant' risk– no overall change;
- **Risk S12 'Failure to deliver property strategy'**: 'Significant' risk – no overall change;
- **Risk C1 'Serious breaches of Health and Safety legislation'**: 'Significant' risk - no overall change;
- **Risk O8 'Failure to maintain timely and accurate learner data'**: 'Significant' risk - no overall change;
- **Risk C2 'Serious breaches of legislation'**: 'Minor' risk – no overall change.

Members noted that each of the contributory factors, early warning mechanisms, mitigating factors and actions against monitoring them have been updated for each risk.

Members discussed issues arising from the report, including

- Risk S8: the basis on which strategic and financial planning are aligned
- Risk O2: the basis on which testing has taken place, noting the intention to undertake further reviews during July

### **RESOLVED**

The Finance and Resources Committee approves the Risk Register: Summer Term 2011 relative to its risk assignments.

#### **FRC.29.11 EAST SURREY COLLEGE BUDGET: 2011/12**

The Vice Principal: Finance and Resources presented the East Surrey College Proposed Budget 2011/2012.

The Committee was reminded that, at the meeting held on 17 February 2011, it had reviewed the initial 2011/2012 forecast and was advised that the budget now presented is similar to that forecast, projecting a net operating surplus of £488k.

Members noted that the document compares the budget to the April 2011 Management Accounts forecast and secures the College's robust health as scored by the funding bodies.

Members were advised that

- the budget includes a cost of living assumption of 0.5%
- the College plans to stay within pay costs of 67% of budget
- income assumed reflects allocations as at May 2011, noting a provision of £253k against underperformance of all income lines
- the revised budget net surplus has now increased to £153k after interest of £50k and exceptional pay of £113k

Members discussed issues arising from the proposals, including

- the extent to which further information remains to be received from funding bodies
- the potential for additional expenditure as a consequence of the Strategic Options Review

### **RESOLVED**

The Finance and Resources Committee recommends to the Board the approval of the East Surrey College Budget: 2011/2012.

#### **FRC.30.11 FINANCIAL FORECASTS: 2010 - 2014**

The Vice Principal: Finance and Resources presented a report which updated the forecasting assumptions used in the 3 year financial plan.

Members considered the detail of the document, noting the current assumptions and risks to income streams following the YPLA and SFA allocations for 2011/2012 and extrapolations from those based on current assumptions on the reductions in funding rates for the three years to 2014.

Members were advised that the College continues to self assess the financial health as 'Satisfactory' as the growth in the forecast period will be determined by the recruitment and the extent of unfunded learner numbers in September 2011.

Members discussed issues arising from the document, including

- the need for growth, noting that this will come in the 16-18 full time cohort
- the extent to which curriculum plans identify student numbers
- the essential need to maintain current percentage staffing costs
- the anticipated pay recommendations from the Association of Colleges
- the continuing benefits of the Lennartz mechanism
- the future of Gatton Point South

Members noted that the forecast template used is that issued by the Association of Colleges in summer 2010, the template for 2011 not yet being available.

**RESOLVED**

The Finance and Resources Committee approves the 3 Year Financial Forecasts 2010/2011 – 2013/2014 and commends the document for the approval of the Board.

**FRC.31.11 TERMS OF REFERENCE AND STANDING ORDERS OF THE FINANCE AND RESOURCES COMMITTEE: 2011/12**

The Clerk presented a report which outlined the basis on which it is essential to consider, on an annual basis, the Committee's Terms of Reference and Standing Orders.

Members were advised that the terms of reference remain unchanged and that the standing orders reflect those of the other committees.

**RESOLVED**

The Finance and Resources Committee approves the Terms of Reference and Standing Orders of the Finance and Resources Committee: 2011/2012.

**FRC.32.11 ANNUAL SCHEDULE OF BUSINESS OF THE FINANCE AND RESOURCES COMMITTEE: 2011/2012**

The Clerk presented a report which outlined the basis on which it is essential to consider, on an annual basis, the Committee's Annual Schedule of Business.

Members noted that the only change to be made to the document was the requirement to add the consideration by the Committee of the Disaster Recovery Plan.

**RESOLVED**

The Finance and Resources Committee approves, subject to amendment, the Annual Schedule of Business of the Finance and Resources Committee: 2011/2012.

**FRC.33.11 ENROLMENT 2011/2012**

The Acting Principal presented a report with regard to full time applications for September 2011.

Members noted:

- for 16-18 learners funded by YPLA, the College target is 1484 full time students
- the College anticipates that the 'new build' effect will impact significantly and is planning to recruit 1591 full time students
- the basis on which additional unfunded learners will be accommodated relative to taught hours
- the intention to have a 20% 'buffer' against eg non arrivals
- buoyant full time numbers make it easier to meet other SFA targets, but noting that greater uncertainty exists in the 19+ cohort
- the beneficial effects on individual departments

Members discussed issues arising from the report, including

- the basis on which the College undertakes marketing and research to establish and identify its market

#### **AGREED**

The Finance and Resources Committee receives and notes the report.

#### **FRC.34.11 MANAGEMENT ACCOUNTS: PERIOD ENDING 30 APRIL 2011**

The Vice Principal: Finance and Resources presented the Management Accounts for the period to 30 April 2011.

Members considered the detail of the accounts, noting:

- the operating surplus is £542k – ahead of the profiled budget
- the variances within the budget
- non pay lines are only £8k over the profiled budget
- the provision for exceptional costs is expected to increase to £90k
- the impact of the Lennartz mechanism
- uncollected student debt of £266k and the actions being taken to address this

Members reviewed the detail of the Financial Objectives and Key Performance Measures.

#### **AGREED**

The Finance and Resources Committee receives and notes the Management Accounts: Period Ending 30 April 2011.

#### **FRC.35.11 HEALTH AND SAFETY REPORT**

The Vice Principal: Finance and Resources presented an update on Health and Safety matters for the period January 2011 to May 2011.

Members noted the issues raised in the report.

#### **AGREED**

The Finance and Resources Committee receives and notes the Health and Safety Report: January 2011 to May 2011.

#### **FRC.36.11 LSIS PROJECT: SHARED SERVICES**

The Acting Principal presented a report on the outcomes and the learning points arising from the LSIS shared services project involving four colleges.

Members noted

- the basis on which the College put forward a successful bid for funding from the Learning and Skills Improvement Service to support a shared services project involving three other colleges
- the purpose of the project
- the basis on which the project was overseen and managed

- the outcomes from the project, including information on barriers and learning points, and the benefits that ensued
- the prospects for further joint working following the conclusion of the project

**AGREED**

The Finance and Resources Committee receives and notes the report.

**FRC.37.11 KPI DASHBOARD**

The Committee received the KPI Dashboard: April 2011.

Members considered each of the indicators in detail.

**AGREED**

The Finance and Resources Committee notes the KPI Dashboard: April 2011.

**FRC.38.11 ANY OTHER BUSINESS**

There was no other business.

**FRC.39.11 SCHEDULE OF MEETINGS: 2011/2012**

Thursday 29 September 2011

Thursday 24 November 2011

Thursday 1 March 2012

Thursday 14 June 2012

Meetings commence at 18.00.

As there was no further business, the Chair declared the meeting closed.

**SIGNED AS A CORRECT RECORD:**

**DATE:** Thursday 29 September 2011



