

## GOVERNING BODY

### FINANCE AND RESOURCES COMMITTEE

Minutes of the non-confidential section of the meeting held on Thursday, 18<sup>th</sup> March 2010 at 6.30 pm at the Parkshot Centre, Richmond

Present:	Mr T.C. Lim, Chair of the Committee Dr Tim Woolmer Ms Siân Bates MBE Ms Christina Conroy OBE, Principal and Chief Executive Mr Manoj Nanda Ms Helen Szyra Mr Tony Hooper (Non-Governor Member)
In attendance:	Ms Gabe Flint, Vice Principal (Curriculum & Quality) Ms Judith Potter, Vice Principal (Finance & Corporate Services) Mr Ray Matthews, IT Operations Manager [ <i>Item 7 only</i> ] Ms Anna Labedzka, Executive Officer (Policy & Research) <sup>1*</sup>
Apologies:	Mr Paul Coveney, Clerk to the Governing Body and College Secretary

#### Part 1 (Non-confidential items)

1. **MINUTES** of the meeting on 10<sup>th</sup> December 2009 were, with a minor amendment, approved as a correct record and signed by the Chair.

2. **MATTERS ARISING**

- Item 7: The Vice Principal (Finance & Corporate Services) reported that Pabulum had decided to terminate their contract with the College. In the light of their decision to withdraw by the end of the Spring Term, the Vice Principal (Finance & Corporate Services) had contacted another catering provider – 7 Day, who had been the first runner up in the tender selection process, to consider taking on the catering services at the College. The Committee was advised that 7-Day would provide catering services during the Summer Term on a full cost basis. A proposal for the next academic year would be presented by the end of the Summer Term. The Committee noted that in-house catering would have considerable financial implications for the College. The Vice Principal (Finance & Corporate Services) would provide the Committee with a progress report at the next Committee meeting.

JP

The Committee asked the Vice Principal (Finance & Corporate Services) to request that 7-Day conduct a consultation with students to learn more about their catering needs.

JP

***The Committee noted the catering update.***

3. **DECLARATIONS OF INTEREST**

There were none.

4. **MANAGEMENT ACCOUNTS AND CASH FLOW MANAGEMENT**

The Vice Principal (Finance & Corporate Services) reported that total income was under budget by £436k. The main areas of concern at this stage were Employer Responsive and other project funds. In case of the ER provision, the contract value had been achieved; however, partners had been asked to deliver more than initially anticipated, decreasing net income to the College. The Committee noted that the College had not secured expected project funds due to a lack of bidding success owing to increased competitiveness for project funds and to project funding availability generally.

The Vice Principal (Finance & Corporate Services) reported a predictive 2009/2010 outturn for income of £7,995,000, which was over £1,000,000 less than budget. She stressed that all efforts are being made to contain the shortfall by reducing expenditure. The Committee was advised that the job freeze, stopping of temporary contracts and rationalisation of the Business Services Directorate would bring savings. However further savings would be necessary in order to produce a small operating surplus for the year. The Committee noted

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\* The Committee appointed Anna Labedzka as acting clerk to take minutes for the meeting.

energy and marketing & advertisement savings.

The Vice Principal (Finance & Corporate Services) presented a report on cashflow. The Committee also reviewed Key Performance Indicators.

***The Committee noted the Management Accounts and Cash Flow Management report.***

5. **ENROLMENTS AND FUNDING**

The Committee noted that the College would meet its funding targets for Learner Responsive provision. The Vice Principal (Finance & Corporate Services) advised that the Employer Responsive funding targets would be met; however this would not generate the income initially anticipated, as the result of a greater proportion of partner delivery than budgeted. The Vice Principal (Curriculum & Quality) added that changes to the College delivery model that had been recently introduced would have a positive impact to enable more provision to be delivered directly by the College. The Committee was advised that the Six Month Offer delivery was not currently on profile as the result of recent LAR team issues, and this had resulted in funding being reduced by £12K to March 2010. The Principal advised the Committee that a series of Equality & Diversity events would be organised, and taster courses would be offered to meet Adult leisure course targets. The Committee discussed the possible impact of government change on the education sector.

***The Committee noted the enrolments and funding update.***

6. **CAPITAL PROJECT**

**Programme Management Group**

The Committee was asked to review and approve Programme Management Group (PMG) Terms of Reference.

***The Committee approved Programme Management Group Terms of Reference.***

**Capital Project Capital Costs**

The Vice Principal (Finance & Corporate Services) presented a progress report on the Clifden project together with a recommendation from the Programme Management Group as to how the remainder of the £1m proposed for the year should be allocated. Included in the proposal was resurfacing of the Clifden car park, and the introduction of charges to students and visitors. A paper was presented with recommended actions and estimated costs and payback (less than 2 years). The Committee agreed that the car park renovation was an urgent matter and welcomed the collaboration with LBRuT on the charges scheme. The Committee noted that the car park would be signed 'Student and Staff Parking'. The Committee was assured that there would be some allocated parking spaces for staff and for disabled users. The Committee discussed the recommended capital estimates for 2009/2010 in the light of potential changes in the VAT rate.

***The Committee recommended the Clifden capital estimates for 2009/2010 to the Governing Body for its approval.***

7. **IT INVESTMENT STRATEGY 2010/2011**

The Principal and IT Operations Manager presented an overview of the IT Investment Strategy 2010/2011. The Committee noted that the timetable was ambitious, and advised the College to consider a more flexible timeframe. The IT Operations Manager highlighted areas requiring immediate action i.e. data centre, servers & storage, network operating system, Apple Mac upgrades and wireless network.

The Committee enquired about training for the IT Team, and for all members of staff. The IT Operations Manager assured the Committee that training would be an integral part of the implementation and migration process. The Vice Principal (Curriculum & Quality) added that the Learning Centre members of staff were well skilled, and could be involved in the training process. The Committee discussed staff implications of the IT investment and noted that awareness of new technologies must be raised among them.

The Principal advised the Committee that the IT Operations Manager had been seconded for three months to conduct the research that had served as the basis of the Strategy. The Committee noted the JISC appraisal of the Strategy. The Committee agreed that the IT Operations Manager should be seconded for an additional nine months to implement the Strategy. The Committee expressed their support for the IT Operations Manager for his work on the project.

Principal

***The Committee recommended the IT Investment Strategy 2010/2011 to the Governing Body for its approval.***

### **IT Investment Capital Proposal**

The Vice Principal (Finance & Corporate Services) presented the projections for 2009/2010 and 2010/2011. The Committee noted that prudent estimates were included in the costing of the proposal and advised the College to consider increasing the forecast to £1 million. The Vice Principal (Finance & Corporate Services) noted the Committee's proposal, and agreed to confirm the projections at the next Committee meeting.

JP

***Subject to the proposal noted above, the Committee recommended the IT Investment Capital Proposal to the Governing Body for its approval.***

### 8. **SHARED SERVICES**

The Principal advised the Committee of the FE Principals' meeting on 18<sup>th</sup> January 2010 when back office savings and shared services scenarios had been discussed. VAT barrier had been identified as the biggest obstacle in taking the shared services option forward, as VAT had to be charged on services: however, as most Colleges are not registered for VAT, they are unable to reclaim.

***The Committee noted the shared services update.***

### 9. **ANY OTHER BUSINESS**

- LSC Financial Health Letter

***The Committee noted that the LSC had confirmed Financial Health for RACC 2008/2009 as 'Outstanding'.***

This part of the meeting ended at 8:30 pm

**CHAIR**