

GOVERNING BODY

FINANCE & RESOURCES COMMITTEE

Minutes of the non-confidential part of the meeting held on Thursday, 9th October 2008 at 6:15 pm at the Parkshot Centre, Richmond

Present:	Mr T.C. Lim (Chair) Ms Christina Conroy OBE, Principal and Chief Executive Mr Ken McCracken Mr Manoj Nanda Mr Tony Hooper (Non-Governor member)
In attendance:	Ms Gabrielle Flint, Vice Principal (Curriculum & Quality) Ms Judith Potter, Vice Principal (Finance and Corporate Services) Mr Andrew Slade, Vice Principal (Skills and Business Development) Ms Anna Brekkeflat, College Accountant Mr Paul Coveney, Clerk to the Governing Body

Non-Confidential Items

1. APOLOGIES

Apologies for absence were received from Mr Kevin Finnigan.

2. MINUTES of the Committee meeting of 23rd June 2008 were approved as a correct record and signed by the Chair.

3. MATTERS ARISING

The Principal advised the Committee that the percentage achievement to date of the 2007/08 LSC funding numbers was 97.5%, which would not result in any clawback.

The Vice Principal (Finance and Corporate Services) confirmed that the Bank of Ireland loan had now been paid off.

The Vice Principal (Finance and Corporate Services) confirmed that the risk register (Item V. on the confidential agenda for this meeting) takes future risks into account, as far as is possible.

4. DECLARATIONS OF INTEREST

Mr Manoj Nanda, Ms Anna Brekkeflat and the Clerk declared an interest in item VIII on the confidential agenda.

5. TERMS OF REFERENCE

The Committee noted and accepted its terms of reference.

6. PROCUREMENT

The Committee reviewed the Procurement paper.

The Committee noted that the auditors' VAT review was ongoing, and the College Accountant confirmed that the College would not be liable for any fine regarding failure to register in the event that it approached HMRC for registration if this became appropriate.

7. MANAGEMENT ACCOUNTS 2007/08

The Committee reviewed the draft management accounts for the year 2007/08.

The Committee noted that the College would not be doing any HEFCE work with Thames Valley University after 2008/09, and that for 2008/09 lettings costs would be shown as a separate item.

With regard to the adverse TraintoGain numbers, the Committee was informed that the

College was about to commence legal proceedings in respect of one of the partner companies concerned, that this may not result in repayment of the money, but that the College would pursue the matter as a conscientious steward of public funds.

With regard to the financial performance indicators, the Committee noted that the staff pay rise had been increased from 2.5% to 3.2% by the Governing Body on 25th September 2008, and backdated to 1st August 2008.

The Vice Principal (Finance and Corporate Services) highlighted provisions made in the accounts that are expected to be finalised prior to the signoff date.

The Chair requested that in future the College add a table showing the items most likely to change.

AB

8. ENROLMENTS 2008 2009

Papers were tabled regarding numbers and funding, and fees and bursaries.

With regard to numbers and funding, this was an update on the numbers presented to the Governing Body on 25th September 2008. The Committee noted that the College had reached over 150% of this year's target for 16 – 18 funding and so had stopped recruiting, but that this put the College in a strong position for next year. Adult Learner Responsive funding achieved to date was possibly understated, since the required LSC software was not yet available. Other levels (at around 60% for the important L2 and L3 courses) were considered to be satisfactory for this stage of the year, and in line with 2007/08. With regard to the Adult Safeguarded Learning, these are predominantly short courses, and early indications are that the target will be exceeded for the year. With regard to FE Workplace NVQ's, the Principal advised the Committee that these can relate to volunteers as well as employees, and that the College is currently working on two projects which could contribute significantly in this area.

The Committee noted that the TraintoGain numbers were subject to audit adjustment, and that the College was examining the possibility of using the London office as a training centre for apprentices.

With regard to fees and bursaries, the Committee noted that a bursary is an apportionment of the overall funding used to attract the sort of people whom the College is targeting, e.g. disadvantaged groups; rather than an extra cost., it was effectively a reduction in course spending.

The Committee approved an increase in the College bursary to £700K for 2008/09.

9. ANY OTHER BUSINESS

The Committee received a paper on health, safety and welfare resulting from the LSC's annual inspection, which had been received by the College in the past week.

The Committee noted that a number of the College's Employment Policies dated from 2002, and were currently under review, and that because of the changing customer base of the College, particular attention needed to be paid to the child protection and adult safeguarding policies. The updated Employment Policies would be brought to the Committee for approval. The Chair stated that a proper review would need to include training and communication plans as well as the policy wording.

JP

In the light of the current financial crisis in the economy, the Committee noted that the College's reserves were all with HSBC, which has the one of the best liquidity ratios of all the major banks. With regard to pension funds, the College had approached LBRuT (the holder of the pension funds) for reassurance. The LBRuT placed the funds through an investment agency, and was responsible for those funds, although the Principal noted that the College's contributions had been raised to 23.8%. With regard to unemployment, this could pose a threat to the Employer Responsive targets, but this could be offset by the fact that people seeking work are likely to return to training in

order to enhance their skills and employability.

With regard to the loan required for the Capital Project, the College had been assured by the bank it was putting money aside for lending to established customers. The College considered it unlikely that the LSC capital funding would be withdrawn, since the government had committed funds up to 2010. The Principal also noted that currently building costs were falling, although it was accepted that this trend might be halted by the 2012 London Olympics.

The Chair requested that a paper regarding the impact of the financial crisis on the College be submitted to the next Governing Body meeting, and that the Committee be provided with a schedule of key dates for audit and other matters, including any adjustments to the management accounts.

JP

The Principal advised the Committee that the Executive Team was working on the Employer Responsive model for the College, and that further information would be provided at the Governors' Weekend in Godalming.

Exec

This part of the meeting ended at 7:20 pm

CHAIR