

GOVERNING BODY

FINANCE & RESOURCES COMMITTEE

Minutes of the non-confidential part of the meeting held on Thursday, 15th October 2009 at 6:30 pm at the Parkshot Centre, Richmond

Present:	Mr T.C. Lim (Chair) Ms Siân Bates MBE Ms Christina Conroy OBE, Principal and Chief Executive Mr Manoj Nanda Mr Tony Hooper (Non-Governor member)
In attendance:	Ms Judith Potter, Vice Principal (Finance and Corporate Services) Ms Gabrielle Flint, Vice Principal (Curriculum & Quality) Ms Anna Brekkeflat, Director of Finance & Information Services Mr Paul Coveney, Clerk to the Governing Body and College Secretary
Apologies:	Dr Tim Woolmer

Part 1: Non-Confidential Items

- 1. MINUTES** of the meeting on 25th June 2009 were, with a minor amendment, approved as a correct record and signed by the Chair.
- 2. MATTERS ARISING**

Referring to item 4, the Committee asked whether there had been any progress in obtaining LSC compensation for the Capital Project fees. The Principal reported that, despite the Association of College's attempts to develop a process for this, it had become evident from meeting the LSC that no money would be made available for this purpose.

Referring to item 9, the Vice Principal (Finance and Corporate Services) reported that the service from Pabulum was inconsistent, varying from good to poor in some instances. Pabulum had to date failed to re-train the staff transferred to them under TUPE from the previous supplier, and had also had difficulties with their appointments of chefs. The College had raised its concerns with Pabulum, who had been given until the end of this term to resolve these issues and to achieve a consistently high quality of food and service.
- 3. DECLARATIONS OF INTEREST**

There were none.
- 4. COMMITTEE TERMS OF REFERENCE**

The Committee received its terms of reference for 2009/10.

The Committee asked the Clerk to remove the erroneous reference to health and safety, which now comes under the terms of reference of the Employment & Organisational Development Committee. Clerk
- 5. MANAGEMENT ACCOUNTS AND CASH FLOW MANAGEMENT TO JULY 2009**

The Director of Finance & Information Services summarised the main items, insofar as the accounts differed from those considered by the Governing Body on 23rd September 2009. Matters to be finalised following audit included a year end Employer Responsive funding return, and the possibility (as proposed by the College) that part of the sum for professional fees for the Capital Project should be capitalised.

The Committee noted the Management Accounts.
- 6. ENROLMENTS AND FUNDING**

The Director of Finance & Information Services presented an update to the paper, reflecting the position as at the date of the meeting. Enrolments for 16 – 18 funding were now at 92% of the funding target, and 95% of the SLN target. Enrolments for 19+ funding were at 83% of the funding target, and

74% of the Learner Number target. The Principal advised the Committee that the College would need to consider carefully what courses to market in January 2010, as there was a danger of running out of funding. The Committee asked how the position compared with last year. The Principal replied that the funding position was similar, but it was difficult to draw comparisons because the pattern of demand was very different.

With regard to Employer Responsive funding, the Principal reported that the LSC had divided this year's funding into two tranches: 47% up to the end of March 2010, and the remainder post 1st April 2010. The funding derived from "carry-over" students from 2008/09 did not show on the paper presented to the Committee. For the 6 Month Offer, the Vice Principal (Curriculum & Quality) reported that there was a lot of interest, especially in the office and IT areas, and the Principal further reported that some enrolled learners were eligible under this funding stream, and therefore could be transferred to this provision.

The Principal reported that the LSC would negotiate the 2010/11 contracts for young people and adults before it was abolished on 31st March 2010, and reminded the Committee that the complexities of the College's funding arrangements was on the programme for the Governors' Weekend at Godalming in November 2009

The Committee noted the Enrolment and Funding update.

7. CAPITAL PROJECT

The Vice Principal (Finance and Corporate Services) reported that she had that day received a proposal from Turner and Townsend for project management, cost management and construction design management of the Capital Project. She reminded the Committee that Turner and Townsend had been the appointed project managers for the now-defunct LSC-funded Capital Project. Turner and Townsend had been asked to give an opinion as to whether what the College planned to do could be achieved within the £5m budget: their initial response had been that the total cost was more likely to be of the order of £6m. The College recognised that the proposal to move Art from Clifden to Parkshot would involve extra cost.

The Principal reported that she had clearly informed Turner and Townsend that the LSC framework for Capital Projects was no more: since this would be a self-funded project, the College was committed to restricting its use of consultants to the minimum consistent with proper risk management. The College had defined the accommodation strategy as part of the Strategic Plan 2009/12, which had been approved by the Governing Body on 23rd September 2009, and was now consulting with the staff: many of the consultants mandated by the LSC framework would not now be necessary.

The Committee noted that the report of the Capital Task Group recommended that consultants' fees should be 10% of the total project cost (for an £85m project): the Turner and Townsend proposal (£251,500 over three years) represented 4% of a £6m project. The other material areas in which consultants would be need included Architects and M&E Engineers. The Committee expressed the concern that M&E Engineers often represented the largest area of risk for a project, and were concerned to be satisfied that Turner and Townsend were qualified to manage these costs effectively. The College's proposal was to seek the Committee's approval for the appointment of Turner and Townsend as project managers, subject to the College, in accordance with its Financial Regulations, obtaining two alternative quotations to ensure that Turner and Townsend were competitively priced.

JP

The Committee approved the appointment of Turner and Townsend as the project managers, subject to confirmation that the price was competitive.

The Committee reviewed the governance arrangements for the Capital Project.

The Committee decided that the College should establish a Project Management Group for the Capital Project. The Committee representative on this group would be Mr Tony Hooper, and the group would report to all meetings of the Finance & Resources Committee.

JP

Clerk

8. INSURANCE 2009/10

The Committee considered the College's insurance cover for 2009/10

The Vice Principal (Finance and Corporate Services) reported that there was a small saving in the cost of insurance compared with 2008/09. She advised the Committee that, since the paper had been issued, the College also intended to pay £750 for a policy covering staff using their own cars between Clifden and Parkshot. The Committee considered that this was good value for money.

Considering the Charity Trustees Liability insurance, the Committee asked why the amount of cover was £1m, and asked the Vice Principal (Finance and Corporate Services) to clarify what the policy covered, and whether £1m was an appropriate limit. The Committee requested the Clerk to try to discover what limit was common in other colleges.

JP
Clerk

Subject to the above, the Committee was content with the College's insurance cover for 2009/10.

9. ANY OTHER BUSINESS

There was none.

This part of the meeting ended at 7:40 pm

CHAIR