

Finance & Personnel Committee meeting Thursday 27 May 2010, Committee Room, Ashington Campus

	<p>Present: L Ions , B Bedson, R Ellis-Jones, C Smith. M Jeans</p> <p>In attendance: C Todd, Clerk</p>
FP27may10/1	<p>Eligibility and quorum issues:</p> <p>There were no eligibility issues and the meeting was quorate.</p>
FP27may10/2	<p>Apologies for absence:</p> <p>No apologies were received.</p>
FP27may10/3	<p>Minutes of the meeting held on 23 February 2010:</p> <p>The minutes for the meeting held on the 23 February 2010 were approved.</p>
FP27may10/4	<p>Matters arising:</p> <p>There were no matters arising.</p>
FP27may10/5	<p>Management Accounts :</p> <p>CT presented the monthly management accounts report, as at Month 9 (April 2010).</p> <p>CT advised that the operating position demonstrated an over performance against budget for the year to date of £945k. He advised that this was a result of over performance against income budgets of £508k, an under spend against staffing budgets of £346k and various non pay under spends amounting to £92k giving a positive variance overall.</p> <p>CT then directed members to section 3 highlighting the revised budget and year end forecast showing a table which represented the current forecasted outturn position for 2009/10. CT commented that the overall expected outturn was a surplus of £431k which was a significant step forward. However, CT advised that due to LSC payment re-profiling, income continues to over perform year to date, although a reduction later in the academic year will bring this back in line.</p> <p>The forecasted outturn position now demonstrates an overall surplus for the College group of £142k, which represents a £51k improvement against the original budget and deficit of £363k against the revised budget. The forecast surplus has increased by £15k from the March 2010 Management Accounts report, the key changes being: ESF income; pay costs and non-pay.</p> <p>CT advised that ESF projects continue to perform poorly against targets although there has been a slight improvement from previous months. CT advised that ESF had difficult small cohorts which were tough to deliver, and that although delivery of a contract is not a paperwork problem, there are some. It was noted that this would be discussed at the next Audit Committee.</p> <p>A discussion then took place with regard to problems within the Train to Gain area. CT advised that it was not profitable and was difficult to manage. REJ advised that there had been changes to the Machinery of Government, contracts were late in respect of allocations and budgets, and also there had been poor referrals from Connexions.</p>

	<p>In conclusion, CT advised that the financial position was showing real signs of improvement, but that the key risk to the College still remained the achievement of its funding targets which will continue to be the focus when moving forward.</p> <p>CT commented that planning for next years budget had begun and that this would be presented to Governors during July 2010.</p> <p>CT then presented the Governors with a Management Accounts pack which was to provide the Governors with more detailed information relating to the College's financial performance.</p>
FP27may10/6	<p>Budget setting policy :</p> <p>CT presented this to Governors for the purpose of the following points:</p> <ul style="list-style-type: none"> - To ensure a sound and consistent approach to budget setting and monitoring - To ensure that realistic and deliverable budgets are set and delivered against, and - To define the roles and responsibilities of the Board of Governors, Senior post holder, College Management Team and Staff by detailing the College Policy and Procedure by which staff can identify income and commit expenditure within an approved budgetary framework. <p>CT commented that the College will ensure that the budget setting and monitoring of income and expenditure is robust and is controlled within the remit of a person's delegated authority and responsibility.</p> <p>The following points within the policy required change/rewording:</p> <p>Point 3.5, 4.1, 4.2 and 4.3. CT advised he would update the policy and bring back to the next F&P Committee.</p> <p>CT commented the challenges faced when budget setting due to the restructure and QCF details of which will be received in September/October 2010.</p> <p>It was agreed to hold an F&P Committee on the 29th June at 5:30pm.</p>
FP27may10/7	<p>Finance Director's update:</p> <p><u>CONFIDENTIAL ITEM</u></p>
FP27may10/8	<p>Any other business:</p> <p><u>Union negotiations update</u></p> <p>CT provided an update advising that a formal agreement had been reached with UCU. CT advised that there was still much to discuss, but that agreement had been reached on some key specific issues which meant that the threat of dismissal and reengagement could be lifted. Further work was required to address other changes to the lecturer contract and this would take place over the coming weeks.</p> <p>REJ stressed that both Unions and Management had compromised a lot and that salary protection would slow down the financial recovery of the College. The Chair commented that they had been given a tough brief, meetings had been held almost daily, the Unions had been given the opportunity to talk to Governors, however a deal had been achieved which keeps the College on the road to recovery, but more importantly the College finally has a way of moving forward.</p> <p>REJ & CT advised that a voluntary redundancy package had been put together with those staff who would be made redundant.</p>

FP27may10/9	Confidential items: Item 7 confidential for 6 months
FP27may10/10	Date of next meeting: 29 June 2010 at 5:30pm in the Committee Room, Ashington Campus