

Finance & Personnel Committee meeting held on 8 February 2011, Committee Room, Ashington Campus

	<p>Present: L Ions , C Smith, B Bedson, D Cheetham, D Moon</p> <p>In attendance: K Allan (Clerk), C Todd, K Ramsey, D Ferguson (Item 5), M Clinton (items 8, 9 & 10), D Simpkin (note taker)</p>	
FP/8feb11/01	<p>Eligibility and quorum issues:</p> <p>There were no eligibility issues and the meeting was quorate.</p>	
FP/8feb11/02	<p>Apologies for absence:</p> <p>Apologies were received from D Cheetham , D Moon.</p>	
FP/8feb11/03	<p>Minutes of the meeting held on 18 January 2011:</p> <p>The minutes of the meeting were approved.</p> <p><u>Matters arising:</u></p> <p><u>Curriculum Planning</u></p> <p>CT advised that both he and David Cheetham had spent time with HW and that curriculum planning was to be linked with business planning which had been completed and was due to be presented at Standards Committee.</p> <p><u>Review of Virtual Learning Environment:</u></p> <p>CT advised that Maureen Charlton had met with Newcastle College and were looking into the possibility of the College moving onto their contract. Progress on this matter was noted.</p> <p><u>Debt Recovery – Talent Training:</u></p> <p>KR advised that this matter was ongoing as purchase orders were being looked at to ensure payment for learners had been made.</p>	K Ramsey
FP/8feb11/04	<p>Minutes of the meeting held on 28 January 2011:</p> <p>The minutes of the meeting were approved.</p> <p><u>Matters arising:</u></p> <p><u>Financial and Legal Due Diligence</u></p> <p>CT advised that Dickinson Dees were dealing with the legal due diligence and that PWC, Baker Tilly and KPMG were approached regarding the financial due diligence. Governors appointed PWC and work has commenced. The Chair noted that both due diligences work with Northumberland College and NCG had commenced.</p>	
FP/8feb11/05	<p>Matters arising not otherwise on the agenda:</p> <p>There were no matters arising.</p>	
FP/8feb11/06	<p>Marketing and communications update report:</p>	

	<p>David Ferguson attended the meeting to provide an update to governors on the outcomes of marketing and communications activity for the 2011/12 academic year.</p> <p>He advised on the key strategic objectives that all marketing and communication activities would adhere to.</p> <p>He added that efforts had been concentrated on the production of the 2011/12 school leaver prospectus as this linked with the guidance provided to those currently in schools. He also advised that radio advertising and sponsorship on Capital FM, social media and print advertising also support the campaign.</p> <p>With regard to future activity, DF advised that the College was currently focusing on delivering activity related to Employer Engagement for February 2011. The College has a significant level of PR and advertising booked around Apprenticeship Week and Northumberland College is a sponsor of the Evening Chronicle and Journal '100 in 100' campaign.</p> <p>DF then advised that the adult learner activity was linked to the business and curriculum planning, with a course file being available for prospectus delivery on the 11 April 2011. He added that this included a focus on current students and their progression to further study as well as on attracting new students.</p> <p>DF commented that the IAG processes and systems had also been reviewed to ensure that all applicants will receive impartial IAG from a central source to ensure that as many applicants as possible are engaged for the new academic year.</p> <p>Governors noted the report.</p>	
FP/8feb11/07	<p>KR presented this item to provide Governors with a written commentary on financial performance for the year to date (month 5 – December 2010). The report was supplemented by a detailed Management Accounts Pack which provided further information on the financial performance.</p> <p>KR advised that the operating position demonstrated an over performance against budget for the year to date of £400k. She added that this was a result of over performance against income budgets of £72k, an under spend against staffing budgets of £219k and various non-pay under spends amounting to £107k, which gave a positive variance overall. KR added that the over performance with regards to income was mainly due to the employer responsive final reconciliation payment for 09/10 of £203k being received in December which was offset against the under performance on 16-18 apprenticeships of £57k against the planned profile for 2010-11. With regard to the pay budgets, the main areas of under spend related to support staff which reflected the significant work undertaken to manage vacancies in year. With regard to non pay budgets, these showed an under spend for the year to date which was mainly due to the release of the 09-10 restructure provision of £93k.</p> <p>Some discussion took place regarding the previous projections and Governors asked that CT/KR revisit these and bring back to Governors at the end of March.</p> <p>KR then advised in the income – funding performance and commented that at month 5 the College had generated £9.209m from its major funding streams, although achievements in regard to TTG and Apprenticeships were not</p>	K Ramsey

	<p>included, along with in year progressions arising from the change to QCF qualifications. KR advised that the forecasted outturn of £10.011m reflected an estimate of both of these and also an assumption that will generate some further funding due to recent work carried out by the APs to develop and implement a funding recovery plan. KR stressed that based on this information, the College has significantly under performed against its income targets in year. She advised that this was not a positive position, as future funding allocations are normally based on current year data and as such, there is a strong possibility that our allocation for 2011-12 will be reduced.</p> <p>With regard to the forecasted outturn position, this demonstrated an overall surplus for the College group of £370k which represents a £137k increase against the original budget. KR highlighted the key changes to the forecast as detailed in her report.</p> <p>With regard to High Gain, KR advised that the operating position demonstrated an under performance against budget for the year to date of £6k. KR advised that this was as a result of under performance against income budgets of £12k, an under spend against staffing budgets of £6k and non pay costs broadly in line with budget.</p> <p>KR then advised on the cash position and commented that to date the actual cash flow was approximately £1,063k above expectation which was due to 09-10 employer responsive reconciliation payments of £203k, £700k savings against expected capital costs, receipt of an early franchise payment of £34k and reduced payroll costs in line with staffing under spends.</p>	
FP/8feb11/08	<p>Farm update:</p> <p>Marcus Clinton attended the meeting to provide Governors with an update on the College farm.</p> <p>He began his report by providing a financial update. The farm is currently £28k behind target for the end of year forecast of -£9k. This is largely due to a payment of £22k relating to contractors work from three years ago and which has had to be paid. He also advised that no income had been recorded for prime cattle and straw sales, both of which will be generating income shortly.</p> <p>With regard to going forward, MC advised that plans to add value to KH livestock by producing the meat for sale in its own farm shop and into its own catering outlets will save cost and increase income as well as reduce the Colleges carbon footprint. He added that there would also be benefits in creating a Kirkley Beef/Lamb brand.</p> <p>MC then advised on the recent activity which had taken place with regard to tidying up the KH estate. He also advised that cattle had been at Carlcroft deploying a unique system of grazing the cattle in the hills and then bringing them back to the lowland farm. The sheep have been selling well at market with good prices being obtained recently.</p> <p>MC added that meetings had been held between both the farm and the curriculum team in order to strengthen the links and improve the learner experience. He commented that practical sat Kirkley had been improving with students now doing more stock activity and land operations as communication</p>	

	<p>and planning improves.</p> <p>A discussion then took place regarding the position of the Farm Committee. It was noted that the Committee had not met since Michael Jeans, who chaired the Committee, had left. KA advised that the contract with the Farm Management Company was due to be reviewed in 12 months. It was agreed that both CT and MC put forward a paper/proposal to the Full Governing Body Committee to dissolve the Farm Committee and how information about the farm will be reported in the future.</p>	C Todd/M Clinton
FP/8feb11/09	<p>Business case approval – Floristry Course:</p> <p>Marcus Clinton advised that a capital grant to enable the resources are put in place to enable the delivery of Floristry curriculum at Kirkley Hall.</p> <p>It was noted that in July 2010 an application was made to NPTC (City and Guilds) to deliver Floristry provision at Kirkley Hall. The 09/10 16-19 and Adult prospectuses advertised the new provision of Level 2 Diploma in Floristry, a Full Level 2 qualification fundable for 16-18 and Adults.</p> <p>In September 2010, 34 prospective students had made enquiries regarding short and long floristry provision as well as Full Cost delivery. A decision was made due to staffing resources, the lateness of all the applicants and final approval by City and Guilds to postpone the start of the course.</p> <p>MC advised that this new provision is a natural addition to the curriculum at Kirkley Hall. Working alongside Horticulture, Craft Trades and the Commercial activities of Weddings and Conferences. Governors approved the business case.</p>	
FP/8feb11/10	<p>Business case for HE capital:</p> <p>Marcus Clinton advised that the College had received external funding which had to be spent on HE. He highlighted in his appraisal form what the funds available were and their amounts. He also provided a detailed breakdown of the proposal to spend these funds to improve HE facilities for learners.</p> <p>Governors approve the business case.</p>	
FP/8feb11/11	<p>Any other business: Nothing to report</p> <p>Confidential items: Enercoast (under Item 3)</p> <p>Date of next meeting – A meeting to be held in March, KA to advise</p>	
	<p>Members of the Committee:</p> <p>L Ions (Chair), Principal, B Bedson, C Smith</p>	

Minutes agreed of the 8 February 2011 meeting

Signed :

Dated: