

## Finance & Personnel Committee 9 February 2009 at 3.30pm in Ashington

	<p><b>Present :</b> L Ions (Chair), M Jeans, N Hall, R Ellis-Jones</p> <p><b>In Attendance:</b> Clerk, Chris Saint, Chris Todd, Peter Caudren, Richard Hogg</p>
	<p><b>Apologies received from P Sample</b></p>
<b>Check numbering</b>	<p>The meeting was agreed to be quorate and the minutes from the last meeting were agreed to be accurate and approved and the items to be actioned had been completed.</p>
	<p><b>5. Quarterly HR Report:</b> Peter Caudren outlined the summary findings in his paper. The pay award was completed and some improvements had been made to the absence management strategy. He commented that it was now easier to see hotspots in absence figures and therefore easier to manage them. A recruitment embargo was in place to cut costs. The intervention plan input has shown that some internal processes were not as good as they could be and were being tightened up. There was now a new approach and this should lead to improvement on the figures next time. (P Caudren left the meeting)</p>
	<p><b>6. Health and Safety Report:</b> R Hogg noted that there was an error in the agenda in that this item was the Quarterly Health and Safety Report and there was no Estates Report. The figures in the report had improved by 10% on the previous year and there was a positive trend. There was now the ability to look at the figures and use them in a smart and active way to pinpoint trouble areas and to work with the CAMs to carry out spot checks or change induction policies.</p> <p>The reporting at Kirkley was still not as good as it could be but there was an effort to improve the way the figures were presented. There had also been some falls on ice at Kirkley. Where problem areas were spotted there was now the ability to put in concerted work to improve.</p>
	<p><b>7. Management Accounts and Financial Headlines:</b> Chris Saint and Chris Todd were working together on the handover Chris Saint had produced this set of accounts. These accounts were presented as the past with the intervention plan showing the way forward. There were three phases in the work of the interim Financial Director and this had been to investigate the problem which was done in September, to stabilize the situation and to put the intervention plan in place. The management accounts were usually ready by the 15<sup>th</sup> of the month and this needed to be reviewed with regard to the dates of the future F&amp;P meetings in the calendar.</p> <p>There were three major areas of concern:</p> <p>Cashflow and solvency: this was weak and deteriorating the overdraft was now in use to stabilize the position. The overdraft was intended to help with the front loaded costs of new build. There had been a purge on debtors to improve cashflow with some success.</p> <p>Staff costs: This was estimated at £650k more for total staffing costs this year compared to last year and was rising at £100k per month year on year.</p>

	<p>Performance targets for employer responsive provision: This was historically done over the year but now was done on a monthly basis so underperformance in this area now has a very real effect with money not coming in when needed. This needs urgent review in the way delivery is planned.</p> <p>Capital projects: The LSC position was briefly outlined and the FD team had been asked to look at the implications of pushing the start of the project back to August 2010.</p> <p>The Chair noted her concern that there was still nothing in writing for Governors from the LSC or AoC about the position and that this provided a problem for governance as Capital project were a governance matter.</p> <p>R Ellis Jones outlined the findings of the LSC meeting where the College management had been assured that the College was a priority at regional level. Stage D ready projects were getting the priority and then AIP stage projects would be considered. C Saint noted that the delay in following through the land deal could place it at risk and also the College heating would need to be replaced soon at further cost. At the next meeting of the F&amp;P committee the FD would bring a re-forecast year end position and a full cashflow model. The employer responsive element would also be reforecast.</p> <p>In response to a question from the Chair about the employer responsive position R Ellis Jones outlined the difficulties caused by the new funding methodology and the lack of a flexible workforce. The work was available and the College could deliver the work but staff were committed elsewhere. Also the costs to the College were large on the hourly rate compared to a private training provider. For demand led funding the College needed a demand lead workforce. In addition problems were caused by the LSC not having the software patch ready and not having the guidelines ready, other Colleges had been put in the same position on this. All were agreed that the problem of the responsiveness of the workforce was a long standing one and one that needed to be addressed.</p> <p>C Todd noted that there had been success in pursuing debts. R Ellis-Jones noted that the whole SMT and CMT were taking ownership of the financial situation and it was not just seen as an FD problem and there was awareness that this was a problem that could affect the rating of the whole College.</p>
	<p><b>8. Financial Intervention Plan CONFIDENTIAL :</b></p>
	<p><b>10. Fees Policy:</b> C Saint noted that this was an update on the previous document needed for marketing purposes. There had been a 13% rise in fees due to the LSC assuming more of the cost would be placed on the learner. The FD and VP had the power to look at individual cases and there was a degree of responsiveness if needed. It was asked if any update on fees could go on the cycle of business for future meetings. If prices rose then the committee would like to know.</p>
	<p><b>11. Farm update:</b> R Ellis-Jones noted that policy had been adopted to buy in expertise in running the farm to allow the college to concentrate on delivering education. There was a governance issue of how to safeguard the farm as an asset of the college. The suggestion was to set up a sub-committee to the F&amp;P committee and to discontinue using the Farm Panel. It was proposed to ask M Jean to Chair with one other Governor, the Principal, a member of LBI staff, the FD and a curriculum manager with 4 members to</p>

	<p>come from the former Farm Panel. The meetings were proposed to be held once a month and their remit would be to sign off on the budget plan and see that the curriculum needs were being met. Any issues and feedback would come to F&amp;P meetings. M Jeans noted his assent to this and noted that there was a need to secure assets that were deteriorating. It was suggested that eventually the committee could move to quarterly meetings and that a staff governor may be a good idea as the second governor. There were some typos on the contract and these would be taken up with REJ to finalise this being signed. The meeting agreed to the proposed arrangements to establish the committee and that the contract with the managers of the farm should be signed. Search committee should consider the matter and a suitable governor to sit on the committee.</p>	
	<p><b>There was no other business and the Financial Intervention Plan was noted as being confidential and not for publication until further review.</b></p>	

Search Committee to consider the makeup of the new farming committee	Next Search agenda available	Clerk
Update on fees to go on cycle of business	Review of cycle of business	clerk