

BARTON PEVERIL COLLEGE
Finance Monitoring Group
Minutes of Meeting held on
Monday, 21 June 2010 at 5.30 pm

Present:

Mr D Quinney (Acting Chair)
Ms C Bedford (Additional Committee Member)
Prof R Brown
Mrs K Everett
Mr J Prest
Dr D Ridley

In attendance:

Mr N Groves (Vice Principal (Planning and Resources))
Mr G Miles (Director of Finance)
Mrs R Medd (Clerk)

Apologies:

Mr S Gardiner (Chair)
Mrs J Miles (Assistant to the Clerk and PA to the VPPR)

Absent:

None

	Action
<p>581 Preliminaries</p> <p>The Clerk opened the meeting with apologies from the Chair, who had proposed Mr Quinney as Acting Chair. This was seconded by the Principal and approved unanimously. Mr Quinney took the Chair. Apologies were also received from the Assistant to the Clerk.</p>	
<p>582 Declaration of Interests</p> <p>No member of the Committee had anything to declare relating to the items on the agenda.</p>	
<p>583 Equality and Diversity Issues arising from the agenda</p> <p>The Chair reminded members to consider Equality and Diversity issues when considering items on the meeting's agenda, particularly in the Budget.</p>	
<p>584 Minutes</p>	
<p>584.1 The Minutes of the Meeting held on Tuesday, 4 May 2010 were approved and duly signed by the Chair.</p>	
<p>584.2 Matters Arising from the Minutes</p> <p>The sensitivity analysis would be covered in item 5. Part B was circulated in the</p>	

papers for the meeting.

585 Monthly Finance Monitoring Report – CONFIDENTIAL PAPER

The Director of Finance (DF) presented his Report. Questions included:

- Private Fund
- Is this good story likely to continue to year end?

586 Financing the Property Strategy

586.1 The Chair commented that the narrative had been very useful.

586.2 The Vice Principal (Planning and Resources) (VPPR) tabled a paper to clarify his recommendation. The SLT believe that only Option 1.1 is viable in the current climate, the college would be over-exposed otherwise. Option 1.1 = cladding, extra science space and perhaps the purchase of another temporary classroom. Any greater borrowing would tie the Corporation's hands for years to come. Flexibility in the future may be more advantageous. The cost of Option 1.1 could be taken from Reserves but the resulting balance of £165,000 would leave the College too vulnerable to in-year clawback. The preferred proposal is to borrow £600,000 over 3-5 years and use a smaller amount of Reserves.

586.3 Further papers were tabled numbered v9 and v10 and introduced by the DF and it was noted:

- figures in v9 would be slightly better in the event as a short term loan could be cheaper and it won't be needed from 1 August. V9 leads to a reasonably healthy situation. Net Current Assets drop to just over £500,000 but this is still adequate. Financial Health good → outstanding when loan paid off. V10 (loan over 3 years) looks better long term but assets take a hit in the early period.

586.4 The Principal favoured a 5 year loan but with the option to pay back early. The concern caused by the uncertain level of funding per student and recruitment is a limiting factor because of the threat of claw-back. The Chair summarised the College's proposal as asking FMG to consider £600,000 over 5 years to fund Option 1.1 using Reserves to top up as required. If the College can pay back faster this would be done.

586.5 **Members agreed unanimously to recommend this to Corporation.** (Fine details may change as negotiations with the market dictate, so VPPR was given flexibility in his discussions with the Bank.) It was decided that FMG would give a 'certificate of health' to the versions put forward by the DF and thus enable Corporation to make a selection. Papers would be redrafted to reflect this.

586.6 Members thanked the Finance team for the amount of work undertaken to provide these sensitivity analyses.

587 Budget – CONFIDENTIAL PAPER

587.1 Draft Budget

The DF presented his Paper: a draft Budget based on version 1 of Property Strategy document. If the decision is made to use reserves and take out a loan as discussed earlier, then the Budget figures will have to be amended. Members discussed receiving 2 position papers for the Budget item at Corporation as the DF cannot pre-determine decision on Property Strategy but decided finally in favour of an assumption

that the decision will be to accept the FMG recommendation plus an annex to show differences if property Strategy not accepted.

587.2 Principal raised sensitive issue of cost of living award. Of 11 Hampshire 6th Form Colleges all are recommending 0% and our Budget assumptions are in line with this. It was decided to state this position in the Budget Paper but to continue to allow a contingency provision for varying levels of staffing. It was proposed that Governors should be given a picture describing the complex development process when the Finance team introduce the Budget, to include the flavour of conversations internally, considerations etc. It was also agreed that the Budget narrative should indicate there has been a shift in the college's financial position.

587.3 **Three-Year Financial Forecast**
It was stated that the commentary is in line with Property Strategy proposals. Members asked to whom this document would be submitted and were informed that it would go to the YPLA, Hampshire and SFA.

587.4 All members were content.

588 Annual Review of Financial Regulations

FMG accepted that no changes were being proposed and would report this to Corporation through the Chair's report.

589 Committee Business

589.1 Opportunities to work under authority delegated to the Corporation – Policy Management Scheme

The Clerk asked the VPPR to propose this Paper as she was minute taker. He summarised the changes to the categories and pointed out that it had also been discussed at R&E who were in approval. The proposals are aimed at reducing burden at Corporation and giving committees delegated powers.

589.2 The committee would indicate to Corporation that they are generally in favour of the revised scheme but suggested that the Remuneration and Employment Committee would be the best reviewing body for Discretionary Payments.

589.3 Possible Committee Restructuring

The Corporation Chair introduced the Paper, arising out of Awayday, and linked it with the Policy Review just discussed which aimed to reduce committee business. 70% of the college's income is spent on staff costs so the Committee split is a pretty artificial division. The Chair and Principal now intend that the proposals, if agreed in principle at the next Corporation meeting, should go with members' comments to Search and Governance for the fine details to be worked out.

589.4 The FMG Chair had raised a number of questions in absentia and the Acting Chair shared these. Views given at the meeting were:

- Give it a year to see how it beds down.
- Importance of one committee in the current climate. Most things involve people and money.
- Convinced of change not entirely convinced of proposal.
- Supported the need to combine Corporation's two experts in finance and personnel so they are working in partnership.
- The previous discussions about where monitoring of the Pay Policy should sit

highlighted the overlap in committee business as it clearly sits in both FMG and R&E likewise when the Budget is presented Corporation needs to see where an understanding of staff attitudes and morale has been part of FMG discussions.

- View has changed in last 6 months that this is desirable not only in reducing workload but has the real merit of the benefits to be derived from an overarching resources oversight.
- Concerns about checks and balances needed to ensure discussions are even-handed.

589.5 The Chair asked members to send comments to Professor Brown.

590 Standing Items

Contracts

There was nothing to report regarding Contracts.

591 Information Exchange

BSG papers were made available for members and visitors to collect.

592 *Date and time of next meeting: to be arranged*

The meeting closed at 6.55 pm.

593 Items for the Chair's Report

No additional items were raised.

594 Farewell to Ms Chris Bedford and Dr Dan Ridley

On behalf of members the Chair said farewell and thanks to Chris Bedford and Dan Ridley for their work and commitment and expressed how much their contributions would be missed.

595 Confidential Item

Holders of Senior posts' Remuneration procedure: the Recommendation from the Remuneration and Employment Committee was not yet available so the item was postponed.