

CORPORATION OF DERBY COLLEGE
FINANCE AND RESOURCES COMMITTEE



Minutes of the meeting held at the Prince Charles Avenue campus on Monday, 13 July 2009 at 3.00 p.m.

COMMITTEE MEMBERS PRESENT: David Croll, Principal and Chief Executive
 Tim Park
 Brian Powell, Chair
 Graham Schuhmacher

ALSO IN ATTENDANCE: John Callaghan, Deputy Principal: Delivery and Success
 David Coates, Clerk to the Corporation
 Nigel Gell, Deputy Principal: Support and Environment
 Jon Mold, Finance Director
 Heather Simcox, Senior Executive Assistant

The following minutes reflect the order business at the meeting, changed from the published agenda.

Min. No.		ACTION by whom	DATE by when
83.	<p><u>DECLARATION OF INTERESTS IN ANY OF THE ITEMS ON THE AGENDA</u></p> <p>The Chair reminded those present to declare at the start of the meeting interests held in any matter to be discussed.</p> <p>Graham Schuhmacher declared a non-prejudicial interest in the Management Accounts with his employer being listed as a trade debtor within the body of the report.</p> <p>The Clerk declared an interest in the item concerning his contract and indicated that he would withdraw from the meeting when this item was discussed.</p> <p>No further interests were declared.</p>		
84.	<p><u>APOLOGIES FOR ABSENCE</u></p> <p>Apologies for absence were received from Jackie Beswarick and Tony Riley and the meeting was confirmed to be quorate with four members of the Committee present.</p>	Clerk	13 July
85.	<p><u>MINUTES</u></p> <p>AGREED that the Minutes of the meeting held on 15 May 2009 be confirmed as a correct record and signed by the Chair.</p>	Chair	13 July

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86. **ACTIONS OUTSTANDING AND MATTERS ARISING**

The following matters were raised:

Tribal Benchmarking Analysis (Minute No. 70 refers)

The College was awaiting the final report from Tribal. A joint meeting of the Committee with senior managers was proposed by the Principal for the end of August or beginning of September to study the detailed findings.

College Property Agents (Minute No. 73 refers)

The Finance Director was arranging a meeting with Rigby & Co. to discuss their appointment as the College's property agents

Employment Policies (Minute No. 79 refers)

The Director of HR confirmed for the Committee the arrangements in place for reviewing employment policies and for keeping them up to date with HR practice, AoC advice and employment law. The system was based on a cycle of reviews and included equality impact assessments. The Committee was content with the explanation provided.

BUSINESS MATTERS

87. **PROPERTY STRATEGY – UPDATE**

AGREED that this item of business be treated a confidential on the basis of the information to be discussed being confidential information as contained in Standing Order No. 19, being:

- a. financial or other information relating to procurement decisions, including information relating to the college negotiating position, during the course of those negotiations; and
- b. information relating to the financial position of the College where the Corporation is satisfied in good faith that disclosure might harm the College or its competitive position.

88. **CORE CATERING SERVICES**

AGREED that, based on the analysis of tenders received and the report of the Finance Director, the recommendation to appoint Baxter Storey for the Core College Catering Services be approved.

89. **PARKING MANAGEMENT**

AGREED that, based on the analysis of tenders received and the report of the Deputy Principal, the recommendation to

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appoint CP Plus Limited for the Managed Car Parking Services at the College be approved.

90. **MANAGEMENT ACCOUNTS (MAY 2009) AND CASHFLOW FORECAST**

The Committee reviewed with the Finance Director the management accounts to 31 May 2009. The accounts reported a cumulative deficit position of £1.2m, improved on the position from the previous month. The forecast maintained a potential year end position of £1.7m deficit as reported previously to the Committee and in line with the College's plans.

The year-end accounts would reflect the costs of vacating the Prince Charles Avenue (PCA) site to the Roundhouse and the need to accelerate depreciation on the unused assets at PCA. The accounts would also include the writing off of £233k representing the capital costs of developing the PCA and Broomfield Hall sites, and resulting from the collapse of the LSC capital funding process.

The Committee considered the latest position of the LSC relating to the under-delivery of the OLASS contract. The Finance Director explained that a detailed case for retaining the funds provided had been presented to the LSC. It was noted that the year-end forecast did not make provision for a clawback in respect of the OLASS provision.

AGREED that the management accounts for May 2009 be received and accepted, and the Corporation be briefed on the financial position of the College.

91. **BUDGET FOR 2009-2010 AND THREE-YEAR FINANCIAL FORECAST 2009-2013**

The Committee received for consideration the College's draft budget for the forthcoming academic year, 2009-2010, and the draft three-year financial plans. The budget, presented as the first year of a three-year plan, produced an operating surplus for the 2009-2010 year of £50k. The Committee debated the details of the financial plans and the budget projections and considered the need for the College to increase its projected forecast surplus for 2009-2010 to £200k.

The budget did not provide for a pay award for staff, but did make provision for incremental salary increases where commitments had been made. The current AoC recommendation was for a 1.5% pay award from 1 August and the Committee would be requested to review the College's ability to pay this increase in salaries during the autumn term.

AGREED that the budget and three-year forecast plans as presented to the Committee be recommended to the

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Corporation for approval, subject to the forecast being amended to produce a minimum surplus of £200k for the 2009-2010 financial year.

92. COLLEGE BORROWINGS

The Committee considered the recommendations for approval relating to the previously agreed loan facility with Yorkshire bank and loan balances with the Allied Irish bank. In particular, the Committee noted the specific resolution required in respect of the Yorkshire Bank facility.

AGREED that:

- a. the heads of terms as presented in the report for the covenants relating to the loan facility agreed with Yorkshire Bank be approved, authorising the College's Finance Director to sign the Resolution; and
- b. the Finance Director be authorised to transfer the loan value of £1.4m from the Allied Irish Bank to Barclays if discussions with the Allied Irish bank on its covenants required to support the loan cannot be achieved.

93. EMPLOYMENT DEVELOPMENTS AND CORPORATE HEALTH PERFORMANCE INDICATORS

The Committee received from the Director of HR the latest reports on performance against agreed corporate health indicators and further details of workforce demographics. The report included analysis of employee turnover compared with other sectors of the economy, which had been previously requested at the last meeting. The report also developed be comparisons of sickness absence at the College with those reported for other colleges and other public and private sectors.

The report provided information to the committee on current employment developments, the TUPE transfer of the staff delivering the OLASS prisons education contract to The Manchester College from 1 August 2009, and details on the AoC recommended pay award discussed earlier in the meeting in the context of the budget for 2009-2010.

AGREED the report from the Director of HR on employment developments and the corporate health performance indicators be received and accepted.

OTHER ITEMS

94. PERFORMANCE REVIEW OF THE COMMITTEE

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There were no issues arising from the performance review of the Committee.

The draft revised terms of reference would be considered as an agenda item at the next meeting.

The Clerk withdrew from the meeting at this point and the Senior Executive Assistant acted as temporary clerk for the remainder of the meeting.

95. ANNUAL REVIEW OF THE CLERK'S CONTRACT

The Committee noted, that under the terms of the Clerk's contract an annual review should be undertaken. Members considered the performance of the Clerk and noted that no fee increase had been requested for the forthcoming year.

AGREED that the Clerk's contract should continue as per the contract.

96. ANY OTHER ITEMS OF URGENT BUSINESS

There were no items of urgent business

CONFIDENTIAL ITEMS

(Note: there are no separate confidential minutes of the following matter)

97. CONFIDENTIAL MINUTES OF THE MEETING HELD ON 15 MAY 2009

AGREED that the confidential Minutes of the meeting held on 15 May 2009 be confirmed as a correct record and signed by the Chair.

Chair

15 May

There being no further business, the Chair thanked everyone for their attendance and participation and closed the meeting.

The meeting ended at 5.15 p.m.

D M COATES
Clerk to the Corporation

Signed as a correct record on Friday, 25 September 2009

..... Chair