

Group :	FINANCE AND ESTATES COMMITTEE	Date:	01/03/2010
Location:	CONFERENCE ROOM	Time:	5.45 pm
Attendees:	J. Stephens – Assistant Principal, Resources Janet Jones - Clerk to the Corporation	Apologies:	None
Membership:	David Pulford (Chair), Tim Jones, Simon Keeble, Barbara McCormack, Robert Rosson, Martin Ward		

29. **Declarations of Interest**

There were no declarations of interest

Minutes

30. **Resolved:**

That the Minutes of the meeting of the Finance and Estates Committee held on 9 November 2009 be approved as a correct record.

Matters Arising:

31. **Risk Management – Disaster Recovery Plan** (Minute 17)

The Assistant Principal – Resources confirmed that copies of the updated Disaster Recovery Plan had been distributed at the autumn term Board meeting.

32. **Management Accounts for the Three Months Ended 31 October 2009** (Resolution 20)

In response to a Governor's query, the Principal advised that the national unions for teaching staff had agreed the pay award for 2009/10.

Reference was made to the new round of pay negotiations which was likely to start during May/June and the impact any pay increase for 2010/11 would have on the College finances. A Governor commented that it was likely that all Government funded organisations would be forced to opt for a zero increase and that, should a new Government be formed, then existing agreements relating to pay may not be honoured.

33. **2008/2009 Financial Statements** (Resolution 21)

The Assistant Principal – Resources referred to the recommendation of the External Auditor that loan consent compliance should be reviewed on a regular basis and advised this would be done on a termly basis.

She advised that Lloyds' Relationship Manager had recently been made redundant and that there was no replacement for this post.

In relation to the External Auditors recommendation that the accounting software was in need of upgrade - the Finance Manager was discussing options with the Assistant Principal – Information Technology, and preparing to upgrade in September 2010.

Long Term Loan (Appendix 17/10)

The Assistant Principal, Resources submitted a report detailing the long term loan position of the College.

In addition she referred to the previous decision of the Committee (Minute 19/09) to capitalise on an interest offer with Barclays until 2010. Since that decision, Barclays had withdrawn its interest offer and Lloyds had subsequently offered a better rate of interest. It had therefore been decided to leave all surplus funds with Lloyds.

34. Resolved:

(a) That it be noted that no significant savings would be made by repaying the College's loan early and that it would be preferable to keep cash balances higher to afford possible match funding projects.

(b) That it be noted that repaying the loan early would not increase the College's health category.

(c) That the long term loan position be reviewed on an annual basis and that repayment be reconsidered when interest rates increase.

(d) That the decision to leave all surplus funds with Lloyds, at a more favourable interest rate, following Barclays withdrawal of their BPA Plus account be noted.

(e) That plans to upgrade the accounting software in September 2010 be noted.

2009/10 Mid Year Budget (Appendix 18/10)

The Assistant Principal, Resources, submitted a report detailing the mid-year budget including:

- Commentary
- Balance Sheet
- Cashflow
- Key Performance Indicators
- Trend Analysis

All forecasts were currently on target.

35. Resolved:

That the 2009/10 mid year budget be approved.

Management Accounts 2009/10 (Appendix 19/10)

The Assistant Principal, Resources submitted the management report for the six months of the financial year 2009/10.

She advised that the information detailed was also contained in the 2009/10 Mid Year Budget report (Resolution 35 above).

In response to a Governor's query, the Principal clarified the use of the Aimhigher revenue grant.

36. Resolved:

That the six months Management Report be noted.

Health and Safety Update (Appendix 20/10)

The Assistant Principal, Resources, submitted an update on Health and Safety issues.

Particular reference was made to the on-going problems in agreeing an acceptable design with building regulations and conservation officers at the Shropshire Council regarding the need for a biology staircase. The Listed Building status of the main building had created difficulties in how to proceed.

A Governor with planning application experience offered to participate in discussions with Planning Officers to try to find a way forward.

Reference was made to the recent erection of security fencing within the College grounds. It was reported that students tended to congregate in the main car park area and it was suggested that, as an option of trying to improve car access on site, better student control should be introduced to divert them away from the main car parking area.

With reference to the new fencing, the staff Governor commented on the disadvantage to staff of not being able to access the building during the weekend for work purposes. The Assistant Principal, Resources, advised that, if a group of staff wished to come in at the weekend, arrangements could be made but that priority must be given to health and safety issues and the duty of care to employees.

37. Resolved:

(a) That the Health and Safety update report be noted.

(b) That the Minutes of the Health and Safety Committee held on 3 December 2009 be noted including the following main risks:

- Biology staircase - on-going problems with agreeing design with Planning Officers
- Risk of student safety for students using the side car park entrance as a walk way to College site – situation being monitored by car park attendant and students being redirected to a different access.

(c) That the offer of a Governor to participate in meetings with Planning Officers regarding the biology staircase be welcomed and accepted.

Additional Item

Planned Maintenance Programme for 2010/11 (Appendix 21/10)

The Assistant Principal, Resources, submitted a suggested Planned Maintenance Programme for 2010/11 based on the Estate Manager's internal audit and Shropshire Council's recent inspection report. The items listed had been chosen based on health and safety requirements and ranking of priority. The report had been approved by the Senior Leadership Team.

Members discussed options on how to prioritise and best utilise the finances available. Particular reference was made to the possibility of match funding on potential projects, such as the Wolfson Foundation and the need to keep cash balances high for such purposes.

A Governor suggested that one option may be to capitalise certain projects and also, if needed, use some of the cash reserves available.

He also suggested that £90k could be used as the annual budget (as recorded in the draft planned maintenance programme) and in addition an extra £100k could be allocated towards the Wolfson Foundation project if a capital bid was to be successful.

The Assistant Principal expressed appreciation for the suggestions made which would be taken into account when drawing up the final Programme as part of the 3 year financial forecast.

38. Resolved:

That the comments from Governors on the draft Planned Maintenance Programme 2010/11 be noted and that the final Programme be submitted to the next meeting for approval.

39. **Risk**

There were no new areas of risk arising from the meeting.

40. **Date of Next Meeting** - Monday, 14 June 2010 at 5.45 pm.