

## **MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON TUESDAY 4 OCTOBER 2011**

### Members Present

Nick King (Chair), Rob Beale, Andrew Miller (Principal).

### Also Present

Nick Letchet, Deputy Principal, Finance and Resources  
Alasdair MacDonald, Clerk to the Governors

### **The meeting commenced at 1615hrs.**

#### 223/11 APOLOGIES

No apologies for absence were received.

The committee chair was informed that Anne Crosby had resigned from the Governing Body.

#### 224/11 DECLARATION OF MEMBERS' INTERESTS

There were no declarations of interest by members in any specific items on the agenda.

#### 225/11 GOVERNOR BRIEFING

The Principal referred to the SFA Renewal Grant, which would be discussed under agenda item 232/11b).

#### 226/11 MINUTES OF THE MEETING HELD ON 6 JULY 2011

Document No 11/203 refers. The minutes were approved as a true record of the meeting and signed by the chair.

#### 227/11 MATTERS ARISING AND OUTSTANDING ACTIONS REPORT

Document No 11/204 refers. The committee examined each action in turn:

Minute 168/11c) Andrew Miller told the committee that comparable data on tribunal cases was not available. As no report had been brought to the meeting, it was agreed that the HR Director should e-mail members with relevant information on any cases which had gone to an Employment Tribunal since the last meeting of the committee or were scheduled to go to one. Members also asked that other committees be alerted should the reason and/or context of a tribunal case be relevant to their terms of reference.

Action: AM/RR

Minute 168/11d) The Deputy Principal reported on discussions he had held with the Associate Director, Students and they both advised that, due to pressure on present Nursery management, this was not the best time to consider expansion. Andrew commented that growth in places would require an expansion of physical resources and a commentary on this would be included in the Property Strategy for the Governing Body's attention on 4 November. It was agreed that the Quality and Standards Committee should be alerted to this matter.

Action: AM

Minute 168d) The Deputy Principal reported that some revenue expenditure had been brought forward into 2010/11 although this had been offset to a large extent by an increase in the likely redundancy costs in phase 2 of the restructuring.

Minute 169/11 The capital expenditure budget would be discussed within agenda item 232/11a)

Minute 169/11 The committee agreed that this had been actioned.

## 228/11 THE COMMITTEE'S BUSINESS PLAN 2011/12

Document No 11/205 refers. The following amendments were agreed:

- Monitoring Human Resources should be a standing item at all meetings but a full report would be required only at alternate meetings
- The Health and Safety Annual Policy Statement 2011/12 would be brought to the 6 December meeting
- The Members' Report and Financial Statements were for 2010/11
- The Members' Report and Financial Statements would be brought to the 6 December meeting
- The Financial Regulations Annual Review had been undertaken at the 4 October meeting

Action: JAM

The clerk agreed that he would also cross-check the Business Plan with the Committee's Terms of Reference and make any further amendments as required.

Action: JAM

## 229/11 HEALTH AND SAFETY ANNUAL POLICY 2011/12: UPDATE

Document 11/206 refers, introduced by Nick Letchet. It was agreed that a revised and updated Policy Statement would be brought to the committee at its December meeting.

Action: NL

## 230/11 MONITORING FINANCIAL PERFORMANCE

- a) College Operating Statement and KPIs – Document No 11/27 refers, introduced by Andrew Miller. He explained the structure of the new operating statement for 2011/12. The committee would monitor the implementation of the objectives within

strategic aims 3, 4, and 6. The committee noted the new presentation of the KPIs, which it welcomed. However, it was agreed that a way needed to be found to flag up more clearly where an actual YTD figure was likely to lead to an adverse variance at the year end.

Action: AM

- b) Risk Management Plan 2011-12. Andrew reported that a revised risk policy, risk register and risk management plan were being taken to the Audit Committee on 11 October and then to the Board on 18 October for ratification.
  
- c) Management Accounts, Period 12, 2010/11 - Document No. 11/208 refers, introduced by Nick Letchet. He explained the reasons for the change to the 2010/11 projected operating surplus. The committee was delighted at the improved overall result. However, members expressed concern at the control weakness which meant that additional Business First income had not been picked up earlier and noted the action which the Deputy Principal intended to take to remedy this. It was agreed that this matter would be referred to the Audit Committee.

Action: AM/NL

The committee discussed the unexpected reduction in non-pay expenditure. Nick suggested that managers might have become cautious in a climate of restructuring and general cost reduction. The committee was pleased to note the stronger balance sheet for 2010/11 than previously projected but asked that the cash position be re-checked as it did not seem to reflect the additional operating surplus.

Action: NL

The Deputy Principal guided members through the Management Accounts for the month of July 2011. These reflected the improvements minuted above. The committee noted that an accrual of £50k had been made for likely expenditure to provide security following the theft of keys – see minute 233/11 below.

## 231/11 MEMBERS' REPORT AND FINANCIAL STATEMENTS 2010-11

The Deputy Principal updated the committee on RSM Tenon's audit work to date. An initial debate had been held on the treatment of the costs incurred in respect of litigation. It was agreed that the College would not wish specific disclosure of the liability to be made as negotiation was still in progress.

## 232/11 CAPITAL PROJECTS

- a) Update on summer capital projects – Document No 11/209 refers. The committee chair welcomed John Evans to the meeting. He reminded the committee of the curriculum rationale for a gym being installed on the ground floor of the main hall which would greatly enhance the resource base for Sports' courses, thereby increasing the college's competitiveness in this popular area of provision. The addition of an upper floor would provide a large teaching space for higher education programmes. However, having received specialist advice, the cost estimate had risen substantially.

The committee discussed the possible competitive advantages which the College would gain from this project and likely additional student numbers, as well as the possible decline in numbers should the college not enhance its facilities. It was agreed that the plans for this area would now be incorporated into the overall Property Strategy to be presented to the Governing Body at its Strategy Event on 4 November 2011.

Action: AM/JE/NL

Nick Letchet updated the committee on the boiler replacement project. The favoured tender was significantly in excess of the estimate received from NG Bailey. The committee found it hard to understand the difference between estimate and tender. Nick agreed to check whether NG Bailey themselves had submitted a bid.

Action: NL

It was noted that the project could not now commence in time to access the Salix loan. It was agreed that this project should also be reviewed within the overall College Property Strategy.

Action: AM/NL

- b) SFA Enhanced Renewal Grant and Renewal Grant Phase 2 – Document No 11/210 refers, introduced by Andrew Miller. He summarised details of the government's £100m capital programme for FE. Each college would receive an initial allocation of £100k. in November 2011, subject to a college having an appropriate capital project, and being able to fund twice the amount of the grant. This money is to be spent by 31 March 2012. In addition, all eligible colleges could bid through a challenge process for further funds up to £2m. towards a single project but would need to provide additional funding up to at least two-thirds of the total cost of the project. The 2 grants could be combined towards a £6m. project with a college funding £4m.

Andrew explained that the College was at a disadvantage in not having an approved Property Strategy which would enable a project to be presented 'off-the-shelf' to the SFA. However, he was reluctant not to bid as this might be misinterpreted by the SFA as a lack of need or interest in capital support. He intended to conduct some informal soundings of SFA staff on the college's prospects of success.

This matter would be brought to the Governing Body on 4 November for further consideration.

Action: AM

## 233/11 REPORT OF THEFT

Document No 11/211 refers, introduced by Nick Letchet. He confirmed that the College would not receive insurance cover for any loss from an entry which was not forcible until some action had been taken to re-secure the College after the theft of a set of master keys.

After debating the options set out in Document No 11/211, the committee agreed with the Principal's recommendation that the locks should be changed as quickly as possible.

Action: NL

#### 234/11 FINANCIAL REGULATIONS

Document No 11/212 refers, introduced by Nick Letchet.

With reference to para 4.45 Forms of Contract, the committee asked for assurance that this was in line with the new Construction Act.

Action: NL

Subject to receiving that assurance, the committee agreed the proposed changes.

#### 235/11 AMENDMENT TO FEES POLICY

Document No 11/213 refers, introduced by Nick Letchet. He explained that the economics of some full cost courses were being undermined by late withdrawals. The committee agreed with the proposal not to refund fees in such circumstances.

#### 236/11 THIRD PARTY CONTRACTS AND TENDERS RECEIVED

There were no new contracts or tenders received to report.

#### 237/11 COMMITTEE'S ANNUAL REVIEW OF PERFORMANCE

Document No 11/214 refers. The committee considered whether it had met its terms of reference over the course of 2010/11, in this its first year of operation. Members agreed that the areas covered by the previous Employment and Personnel Committee had not been examined sufficiently rigorously by the committee. It was noted that no report had been presented to the present meeting on the second phase of the restructuring programme, which the Principal was due to announce to staff on 5 October. The committee agreed that it needed a strong governor or co-opted member voice on HR matters and asked the Search Committee to take this into account in replacing Anne Crosby.

Action: JAM

#### 238/11 MEETING ASSESSMENT

Document No 11/215 refers. Members completed the meeting assessment forms and returned them to the clerk. The rating score for the meeting was 1.66. The rating score given by managers present was 1.0.

The following comments were made by committee members on their assessment forms:

- HR matters not covered
- Attendance unsatisfactory
- Constructive discussion on capital projects
- Lack of HR
- Agreement on report on theft.

239/11 DATE AND TIME OF NEXT MEETING

The next scheduled meeting of the Resources Committee is on 6 December 2011 at 1600hrs.

**The meeting ended at 1825hrs.**