



KINGSTON COLLEGE CORPORATION
Minutes of the Finance, Planning & Resources Committee
meeting held on Tuesday 1st March 2011

*(All resolutions passed were the unanimous decision of
the committee unless otherwise stated.)*

Membership:

Dr. J. Brumwell	Vice-Chair
Dr. J. Farmer	Chair
Mr. C. Fogg*	
Mr. P. C. Gray	
Mr. P. Mayhew-Smith	Principal
Mr. J. Perry	
Mr. D. Spratling	

* denotes absence

In Attendance:

Ms. L. Ayling	Director of Finance
Mr. R. Lowe	Vice-Principal (P&R)
Mr. M. Tweedale	Acting Vice-Principal (C&Q)
Mrs. J. Wallop	Director of Human Resources
Mr. C. Vickery	Clerk to the Corporation

16. Apologies

Apologies for absence were received and accepted from Mr. Fogg.

17. Declaration of Interest

Members confirmed that they did not have any pecuniary or other interest in any item on the agenda.

18. Minutes of meeting 15th November 2010

18.1 Meeting of 15th November 2010

Members reviewed the Minutes for accuracy.

It was **resolved:**

that the Minutes of the meeting held on 15th November 2010 were a correct record and be signed by the Chair.

18.2 Matters Arising

The following matters arose:

- (i) Ref 7.3/2010-11: the requested revised Business Plan for KES was still awaited.
- (ii) It was noted that all recommendations to the Governing Body detailed within the Minutes had been approved.

19. Merger Update

App. A

The Principal outlined the current position regarding progress in respect of the proposed merger.

In response to the Initial Outline Proposal (IOP), the SFA had requested further details regarding curriculum planning, quality improvement and financial forecasting.

They had also asked for evidence that Carshalton College had fully investigated its options before deciding that a merger was the best option and that Kingston College was the preferred partner.

Members were advised that there now appeared to be mixed messages from Government regarding their attitude to college mergers as evidenced by the delays being experienced by some colleges.

It was recognised that the financial position of both Colleges was likely to be harmed by any delay in achieving the envisaged savings that would result from the proposed merger.

Members accepted that the College had a limited time-frame in which to achieve significant cost savings. The option of delaying decisions in anticipation of the proposed merger was not viable because of the danger of delay to the granting of the required permission.

The desirability of exploring different options for increasing partnership between ourselves and Carshalton College in advance of the proposed merger was debated. Governors agreed that there was sufficient potential for achieving financial savings from the sharing of support services.

Members were advised that the College had not yet incurred any significant costs in respect of the proposed merger other than in management time. They were also assured that management were taking care not to be deflected from their other responsibilities.

It was **resolved** that:

- (i) work should continue without delay on progressing the proposed merger,
- (ii) the Principal should investigate and present alternative models of partnership with Carshalton College that could achieve some of the desired financial benefits to both parties.

20. Vice-Principal's Reports

The Vice-Principal summarised activity across the area of his responsibilities.

He reported that the new organisational structure was now in operation but that weaknesses in some of the College systems were causing problems.

It was also reported that there had been a significant number of areas in which income targets had been missed by some 5% and stated that the effect of this would be apparent in the review of the Financial Forecast. Members suggested that training be provided to staff to improve their ability to accurately forecast financial outcomes. Management reported that supporting systems needed to be improved to provide accurate and timely information at a detailed level.

It was **resolved** that:

- (i) efforts would be made to improve the usefulness of key planning and reporting systems,
- (ii) management would investigate how to improve the accuracy of forecasting by staff.

20.1 Risk Management

App. B

Members were advised that the highest areas of risk had been identified as those related to financial issues. Particular concerns were the reducing level of government funding and the shortfall against forecast income levels.

Members discussed the benefits that had been derived from the Advisory Committees and recommended that they be re-established or that alternative structures be implemented which might better match the new organisation structure. These committees had always provided a good source of potential Governors.

It was **resolved** that:

- (i) urgent action be taken to improving the quality and usefulness of systems supporting the planning and monitoring processes,
- (ii) urgent action be taken to identify further cost saving opportunities to counter the enforced delay in progressing the proposed merger,
- (iii) a proposal be developed for presentation at the next meeting of this committee that recommended what arrangements would replace or enhance that of the previous Advisory Committees arrangements.

20.2 College Accommodation Update

App. C

Members were provided with an update on progress regarding the 'REVIVE' project. The first phase of the project, the 'under stilts' area, had commenced. Alternative 'under stilts' planning options were being discussed. The benefits that such development would provide were discussed. However, members recognised that the associated loss of car parking spaces could cause upset to those staff directly affected. The Principal explained the options under consideration in respect of future car parking arrangements.

The potential for disposal options was discussed as was the complexity of estate planning in the current uncertain circumstances regarding the potential merger with Carshalton College.

Members were alerted to a potential legal problem regarding the College's acquisition of a sub-lease at the St. James' Road premises.

It was **resolved** that:

- (i) legal advice should be obtained over the St. James Road sub-lease,
- (ii) discussions should continue with interested parties concerning potential disposals of some of the College estate,
- (iii) work should continue with the 'REVIVE' project.

21. Director of Finance's Reports

The Director of Finance summarised activity within the division and presented the following papers:

21.1 Management Accounts Review App. D

Members were updated on progress in respect of the introduction of faculty based accounting. There was complete agreement that such reporting was essential to enable managers to monitor and control the financial contribution from their areas of responsibility.

It was **resolved**:

that work should continue on introducing faculty based accounting as soon as possible.

21.2 Bad and Doubtful Debts App. E

Members were advised of the College's position on bad and doubtful debts for the 2009/2010 financial year. Members considered that the levels of such debt were commendable.

It was **resolved** that:

- (i) a list of sponsors with bad debts should be circulated to members
- (ii) the recommendation to write off up to £60k of the identified bad debt, if such remained outstanding, be agreed.

21.3 Mid-Year Review of Financial Forecast App. F

The Director of Finance presented a mid-year review of the financial forecast for the financial year 2010/2011 and a report of the financial position for the six months to 31st January 2011.

Members were informed that the forecast figures were based on the premise that only minimal action were taken. If no drastic action was undertaken, the forecast outcome would be an Operating Deficit of £1.2m.

Members were advised of the planned actions that were being urgently undertaken to reduce the identified potential deficit and achieve an outcome closer to the original budget.

Members discussed the suggested details within the proposed action plan and questioned management as to how progress was to be measured and achieved.

It was recognised that current HR systems were failing to deliver the detail required to enable management to take prompt remedial action to control pay costs. The potential for sharing systems with Carshalton College was considered but understood not to be a quick solution.

It was **resolved** that:

- (i) the forecast deficit was unacceptable and must be reduced,
- (ii) the Principal must ensure that the reduction of the potential deficit is given the highest priority,
- (iii) a small panel of Members would be established to monitor progress on reducing the potential deficit.

21.4 Mid-Year Update – KCTC Ltd.

App. G

Members were provided with of the performance of KCTC Ltd. for the six-month period to 31st January 2010. Repayment of the debt to the College was reported to be ahead of schedule.

It was **resolved**:

to note the reported results.

22. Director of Human Resources' Reports

The Director of Human Resources presented three reports.

22.1 Evaluation of Institutional Review App. H

Members were provided with details of the review undertaken to establish the views and the feedback from the Senior Management Team and their own teams about the recent Institutional Review.

The recommendations as to how to improve the procedures were summarised for Members. The Principal advised that revised and improved procedures would be in place before any similar future exercise.

In response to Members' questions, it was reported that although the majority of redeployed staff had settled to new roles, some had not yet done so. It was also recognised that significant experience had been lost through the Review and through recent retirements.

It was **resolved** that:

- (i) staff should be helped to develop into their new roles in order to reach the required level of competence,
- (ii) the report be noted.

22.2 HR Statistics App. J

In response to previous requests, Members were provided with a summary of statistics compiled by the HR department.

Members discussed how the statistics could be used by managers and what extra information might be required. They recognised that accurate and timely data on such matters as attendance, absence-analysis, gender, age, and equality would prove invaluable.

It was **resolved** that:

- (i) the scope of the statistics be expanded and be presented to managers in respect of their own areas of responsibility,
- (ii) the College should set its own HR targets
- (iii) the report be noted.

22.3 Statutory Changes to College Policies

App. K

The Director of HR presented a confidential paper outlining the actions being taken by management to change College Policies to meet both recent and proposed changes to employment law.

It was **resolved:**
to note the report.

23. Local Government Pension Scheme

Mr. Spratling presented a verbal confidential report to members regarding the situation with the RBK Pension Scheme.

24. Date of next meeting Tuesday 24th May 2011

Signed: _____

Date: _____