



KINGSTON COLLEGE CORPORATION
Minutes of the Finance, Planning & Resources Committee
meeting held on Monday 14th November 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. P. Mayhew-Smith	Principal
Mr. J. Perry	
Mr. D. Spratling	
Mr. P. Yiannakou	Staff Member

** denotes absence*

In Attendance:

Ms. L. Ayling	Director of Finance
Mr. R. Lowe	Strategic Accommodation Director
Ms. J. O'Brien	Director QITD
Mr. G. Norris	Director of Facilities
Mr. B. Rowe	Director Student Services
Ms. K. Spencer	Vice-Principal (QLS)
Mr. M. Tweedale	Vice-Principal (Head of College)
Mrs. J. Wallop	Director of Personnel
Mr. C. Vickery	Clerk to the Corporation

The Clerk took the Chair for the first three items on the Agenda.

1. Apologies & Welcomes

Mr. Yiannakou was welcomed to his first meeting of this Committee.

All members were present.

2. **Declaration of Interest**

Members confirmed that they did not have any pecuniary or other interest in any item on the agenda other than that Dr. J. Farmer and Mr. J. Perry held unpaid directorships of KCTC Ltd.

3. **Election of Chair and Vice-Chair**

Regarding the vacant position of Chair: Dr. Farmer was proposed by Mr. Spratling and seconded by Mr. Perry. There being no other nomination, Dr. Farmer was elected to serve as Chair for the year.

Regarding the vacant position of Vice-Chair: Dr. Brumwell was proposed Mr. Perry and seconded by Dr. Farmer. There being no other nomination, Dr. Brumwell was elected to serve as Vice-Chair for the year.

Dr. Farmer took the Chair for the remainder of the meeting.

4. **Minutes of previous meetings and matters arising**

4.1 Finance & Personnel Committee of 24th May 2011.

It was **resolved**:

that the minutes of the meeting held on 24th May 2011, were a correct record and be signed by the Chairman.

4.2 Matters Arising.

Ref. 27.2(ii)/2010-11: a proposal to replace or enhance the Advisory Committees was scheduled to be issued for next week.

5. **Terms of Reference, Delegated Authority & Membership** *App. A*

Members considered the membership and quorum proposals.

It was **resolved**:

that the proposed Terms of Reference be submitted to the Governing Body for approval.

6. **Planned Business for the Year**

App. B

It was **resolved**:

that the proposed Planned Business for the year be agreed.

7. **Principal's Report**

The Principal updated members on the current situation regarding the Federation with Carshalton College. He reported that the intention for his role to be split between both colleges had now been tentatively agreed by BIS subject to a formal request being made by Carshalton College for their Instrument and Articles of Governance to be changed to permit such an arrangement. Their Governing Body had again approved the concept and had forwarded the request.

8. **Vice-Principal's Report**

The Vice-Principal summarised activity across the area of her responsibilities and presented the following papers:

8.1 **Student Numbers & Enrolment Review**

App. C

Members were provided with details of how the enrolment process had been improved and informed that the operation had been considered a success. Current enrolment numbers, analysed into categories, were provided. The present situation was reported to be generally satisfactory and to be better than that being experienced by other local colleges in respect of the 16-18 student category. The efforts of the Director of Student Services in visiting local schools was recognised as having had a significant effect on our recruitment success from local schools.

Members expressed concern at the shortfall being reported in respect of 'full cost courses'. Management confirmed that the shortfall in this category presented a significant financial risk for the college and that strenuous efforts were being made to mitigate the problem.

It was **resolved**:

that members be kept updated on the situation regarding the identified shortfall.

8.2 Students and Tuition Fee Policy 2012/13

App. D

The College's recommendations regarding charges and fees for 2012/13 were presented together with some of the intentions for 2013/2014. The proposed refund policy and the payment options were also presented.

It was reported that, under new regulations, the College would need to be very specific in respect of other student charges and in establishing appropriate financial support where such charges caused problems.

The general proposals assumed a 50% contribution for 2012/13 and an anticipated 3% increase for 2013/14.

Members debated the advisability of setting charges further in advance than currently determined in line with the policy at Carshalton College.

It was **resolved** that:

- (i) **the Charges to Students and Fee Policy for 2011/12, as detailed in Appendix D, be recommended to the Governing Body for approval**
- (ii) a review be undertaken of other student charges to ensure compliance with new legislation
- (iii) the advantage of using better supporting systems be investigated
- (iv) the extent and timing for forward fee setting be reviewed

8.3 Health & Safety Policy

App. E

Members were presented with a detailed Policy Statement and Policy Schedule covering the College's approach to Health & Safety based on HSE guidelines. These documents identified the key responsibilities of Governors and of Staff, described the arrangements that had been put in place, and detailed the major premises aspects within the policy.

It was **resolved** that:

- (i) the report, Appendix E, be approved subject to equality impact assessment

- (ii) efforts be made to encourage students to recognise Health & Safety issues
- (iii) risk assessments for vulnerable groups remain a focus.

8.4 Learner Support Funds Policy

App F

Members were given a detailed explanation of the funding arrangements that were now in place following the demise of EMAs. They were advised of the hardship that the government imposed changes were causing for some students. Every effort was reported to be being made to ensure that the limited discretionary funds were fairly distributed to those in most need.

It was **resolved** that:

- (i) consideration should be given to providing additional discretionary funds as soon as the College's financial position improved
- (ii) the report be noted.

8.5 Kingston Exchange

App G

Members were update on a new program that had been devised to improve learning and teaching, further develop managers, and provide a process for reviewing and implementing systems. The concept was to provide a vehicle to facilitate the sharing of good practice. Governors were concerned that the initiative might be considered inappropriate if it appeared to absorb new funding that could otherwise be focussed on relieving students' financial hardship. They were advised that funding for the initiative would be diverted from other staff development budgets,

It was **resolved**:

that the report be noted.

9. Director of Finance's Report

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

9.1 **Variances: Man. Accounts :: Financial Statements** *App. H*

The Director of Finance presented a paper highlighting the major elements that had resulted in variances between the Management Accounts and the Statutory Accounts and also between the Budget and the Statutory Accounts.

Members questioned the Director of Finance over the reasons for the reported variances. The £155,000 favourable outturn compared to budget was reported to include a £100,000 favourable variance attributable to changes in the pension valuation. Similarly, the £219,000 favourable variance between Management Accounts and Statutory Accounts include £120,000 in respect of changes in the pension valuation.

Governors were advised of the effects due to the delay in starting the 'under-stilts' program and of reclassifying the Lloyds Bank loan to being repayable within one year.

Members were satisfied that the report demonstrated the manner in which the College was moving towards returning a surplus.

It was **resolved**:

that the report, Appendix H, be noted.

9.2 **Financial Regulations** *App. J*

Members were advised that the Financial Regulations needed to be updated to reflect the revised roles and responsibilities of the senior management team and the new federated structure. Management was proposing to present the revised Financial Regulations to the Governing Body in December.

It was **resolved**:

that the report be noted.

9.3 Cash Management

App K

A paper was presented that summarised the cash management activities for the year ended 31st July 2011. The average rate achieved was reported to have been 0.69%. The arrangements for managing cash balances were also explained.

It was **resolved**:

that the report be noted.

10. Draft Financial Statements, Year Ended 31 July 2011

10.1 KCTC Ltd

App. L

The draft Report and Financial Statements of KCTC Ltd for the year ended 31 July 2011, were introduced by the Director of Finance, who answered questions raised by Governors. It was stated that there was an intention for any future surplus profits to be gift-aided to the College.

It was **resolved**:

that the Report and Financial Statements of KCTC Ltd for the year ended 31 July 2011, be noted.

10.2 Kingston College

App. M

The Director of Finance introduced the draft Report and Financial Statements for the Year ended 31 July 2011 together with a brief overview of the format of the documents.

Members' were provided with a summary of the key contributing factors behind the published results.

Members expressed their satisfaction with the very significant improvement in the College's financial position that had resulted from the restructuring exercise.

It was **resolved**:

that the Report and Financial Statements for the period ended 31 July 2011 be recommended to the Governing Body for approval.

11. KCTC Ltd

11.1 Memorandum of Understanding

App. N

Details of the memorandum of understanding between the College and KCTC Ltd were outlined by the Director of Finance. Governors were reminded that the memorandum is reviewed annually to ensure that it is kept up-to-date. Governors considered the content of the agreement.

It was **resolved**:

that the Memorandum of Understanding, revised as stated above, be recommended to the Governing Body for approval.

11.2 Loan arrangements

App. P

A report summarising the financial position of KCTC Ltd as at 31 July 2011 was discussed. The company continued to make a profit and it was anticipated that the loan would be repaid in full by 31 July 2015 as opposed to the original target date of 2022.

It was **resolved**:

that the report, Appendix P, be noted.

11.3 Budget and Three Year Forecast

App. Q

The budget and three year forecast for KCTC Ltd were discussed. The budgeted profit for the next three years was forecast to be £68,800, £68,600 and £68,300 respectively.

It was **resolved**:

that the report, Appendix Q, be noted.

11.4 Report from Directors

verbal report

Members were reminded that the company remained in profit and that it was continuing to repay the loan to the College at a faster rate than originally agreed. Directors considered the existence of the company to be beneficial for the College.

It was **resolved**:

that the verbal report, be noted.

12. College Estate Strategy

verbal report

The Strategic Accommodation Director gave a verbal report on the situation regarding the College's estate. The report provided an update on progress regarding the REVIVE project:

- Obtaining the required Environment Agency approval for the planned 'under-stilts' development remained a major concern.
- Surveys of our Richmond Road site had been completed. Development work needed to be kept within the approved budget.
- The required permissions regarding the acquisition of Drapers Court were still awaited.
- The Challenge Fund application had been submitted.
- Disposal options regarding the Penrhyn Rd. site were discussed in detail

It was **resolved**:

that the verbal report be noted.

13. Human Resources

13.1 Staff Demographics and Trends

App. R

The Director of Human Resources presented a paper providing detailed metrics for HR issues across the College. Governors were able to question management other the classification and the interpretation of the provided data.

Equality and Diversity Data for both staff and students was also provided. Governors discussed the disclosed data and debated what actions could be taken to improve the current situation.

Governors appreciated the scope of the data being provided.

It was **resolved** that:

- (i) the scope of the metrics be extended and the timeliness and frequency of such reports be improved
- (ii) future reports on equality and diversity should be further enhanced
- (iii) the reports be noted.

13.2 Pay Awards 2011-12

App. S

Members were updated on the outcome of national discussions with unions on pay awards for 2011-12. It was reported that implementing the proposed awards would result in a budget over-run.

It was **resolved** that:

- (i) management be authorised to review the affordability of implementing the proposals
- (ii) if the proposal be considered affordable, they be implemented through the most appropriate available mechanism

13.3 RBK Pension Fund

verbal report

Mr. Spratling gave Governors a verbal report on the latest situation concerning the considerations of the Local Authority Pension Scheme.

It was **resolved**:

that the report be noted

14. Risk Management

App. T

Members were provided with a detailed report itemising and assessing the identified risks faced by the College. The report highlighted changes to the allocated priorities being assigned to the various risks.

Members discussed the risks and considered the adequacy of the action being taken. It was noted that the timeframe for dealing with each risk had been omitted from the report.

It was **resolved** that:

- (i) the timeframe for each risk be included prior to submission to the Governing Body
- (ii) the report, Appendix T, be noted.

15. **Date of next meeting** **Tuesday 6th March 2012.**

DRAFT