



FINANCE & GENERAL PURPOSES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 25TH NOVEMBER 2009 AT 5.15PM

Members: Mr M Parkinson
Dr S R Dowbiggin OBE
Mr D Fussell (Chairman)
Mr Don Gratton
Mr H Jones Owen
Lady Stuttard
Lady Salisbury

Present: Mrs S Adams, Clerk to Governors
Mr D Fallon, Director of Finance
Ms M Hall, Head of College
Mr N Evans, Director of Estates and Buildings
Mr S O'Hear, Personnel Manager

1. CONFIRMATION OF CHAIRMAN AND ELECTION OF VICE CHAIRMAN OF THE NEWLY CONSTITUTED COMMITTEE.

NOTED that:

- i. the meeting was called to order by the Clerk who asked members to confirm Doug Fussell's continuation as Chairman of the newly constituted Committee.

Mr Doug Fussell was proposed as Chairman by Mr M Parkinson and seconded by Lady Stuttard. Mr D Fussell was unanimously confirmed as Chairman of the Committee.

Mr Fussell thanked the Clerk and assumed the Chair and welcomed everyone to the first meeting of the reconstituted Finance & General Purposes Committee.

Nominations were invited for the post of Vice Chairman. Don Gratton was proposed by Mr M Parkinson and seconded by Mr H Jones Owen. There being no other nominations, Mr Don Gratton was unanimously elected as Vice Chairman of the Committee.

2. APOLOGIES FOR ABSENCE

None.

3. DECLARATION OF INTEREST

- Lady Salisbury declared an interest as Patron of the Institute of Horticulture.
- Mr M Parkinson declared an interest as a member of the Livery of the Worshipful Company of Gardeners.
- Lady Stuttard declared an interest as a member of the Livery of the Worshipful Company of Gardeners.
- Dr S R Dowbiggin declared an interest as Managing Director of Capel Manor Limited and in his capacity as a Fellow and Trustee of the Institute of Horticulture. He also declared an interest as a member of the Worshipful Company of Gardeners and that he was currently the Upper Warden of that Company and a member of its Court.
- Mrs M Hall declared an interest as Director of Capel Manor Limited, as a Fellow of the Institute of Horticulture and as a member of the Livery of the Worshipful Company of Gardeners.
- Mr N Evans declared an interest as a Director of Capel Manor Limited, as a Fellow of the Institute of Horticulture, as a member of the Court of the Worshipful Company of Gardeners and of their Livery.
- Mr D Fallon declared an interest as Company Secretary of Capel Manor Limited.

4. TERMS OF REFERENCE FOR THE NEWLY CONSTITUTED FINANCE AND GENERAL PURPOSES COMMITTEE

RECEIVED paper 4, report of the Clerk for decision.

NOTED that:

- i. at the Corporation meeting of 22nd July 2009, Governors resolved to combine Finance and General Purposes Committee and Personnel Committee and review the Terms of Reference of the new Committee as appropriate;
- ii. the Terms of Reference were discussed and amended as detailed on Appendix I to these minutes.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **they accept and adopt the Terms of Reference for the newly constituted Finance and General Purposes Committee as attached in Appendix I.**

5. MINUTES OF THE FINANCE AND GENERAL PURPOSES MEETING HELD ON 9TH JULY 2009

RECEIVED paper 5, minutes of the Finance and General Purposes meeting held on 9th July 2009.

NOTED that:

- i. these were accepted as a true and accurate record of the meeting and signed by the Chairman.

6. MATTERS ARISING FROM THE FINANCE AND GENERAL PURPOSES MEETING OF 9TH JULY 2009

RECEIVED paper 6, matters arising from the minutes of the meeting held on the 9th July 2009.

NOTED that:

6.1 Item 17 from the meeting held on 10th July 2009.

- i. Capel Manor was awaiting response from The Royal Parks following the meeting in July to discuss the college expanding its provision site.

6.2 Item 19.6 from the meeting held on 27th November 2008.

- ii. the college has established a deadline for action by Tower Hamlets regarding agreeing the funding and creation of facilities for use by the college at Stepping Stones Farm (for the delivery of the Land and Environment Diploma in East London).

7. MINUTES OF THE SPECIAL FINANCE & GENERAL PURPOSES MEETING HELD ON 22ND JULY 2009

RECEIVED paper 7, minutes of the Financial & General Purposes meeting of 22nd July 2009.

NOTED that:

- i. the minutes had been verbally reported to the Governing Body meeting of 22nd July 2009. Recommendations were made to the meeting and accepted by the Governing Body.
- ii. these were accepted as a true and accurate record of the meeting and signed by the Chairman.

8. MATTERS ARISING FROM THE MINUTES OF THE FINANCE & GENERAL PURPOSES MEETING ON 22ND JULY 2009

NOTED that:

- i. there were no matters arising.

9. REPORT OF THE CHIEF EXECUTIVE

RECEIVED paper 9, report of the Chief Executive for decision.

The Chief Executive raised two supplementary issues:

9.1 Clarification regarding Capital Investment

NOTED that:

- i. as a result of the better than anticipated financial position at the end of 2008/09, SMT asked Governors to consider releasing a further £50,000 capital allocation;
- ii. proposals that the £50,000 will be spent in the following ways:
 - improvement of staff accommodation and rooming on the Enfield Campus (as detailed in paper 18 subsequently) - £10,000.
 - improvements to Facilities office accommodation and IT resource at Crystal Palace Park Centre - £15,000.
 - improvements to animal housing on Enfield site and an increase in animal stock on site as a first phase of developing a new animal stockyard - £10,000.
 - a contingency available for use by SMT following a review of a priority needs across the college campuses (this fund to be known to staff as the Governors' Special Capital Fund) - £15,000.
- iii. the need to respond quickly to situations arising as a result of the increased pressures on staff and support from F&GP for the proposals.
- iv. the allocation of an extra £50,000 as proposed would not require an alteration of the cash days in hand performance indicator in the remainder of this financial year.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the capital allocation be increased by £50,000 to allow the funding of the projects as detailed above.**

9.2 Rephasing of The Old Manor House Garden

RECEIVED paper 9a (tabled) regarding The Old Manor House Garden (item 5.2 in the original paper).

9.2.1 Constitutional Issues

NOTED that:

- i. with assistance from the Clerk, the Committee explored the status of the sub-group and whether it could/should report to Governors and could make recommendations;

- ii. it was established that the creation of a group to develop the project was noted by the Governing Body at its last meeting, but as yet no constitutional Terms of Reference have been agreed for that group;
- iii. the group had met on 19th November 2009 under the Chairmanship of Lady Salisbury and had decided to seek to formally constitute itself as a sub-group of the Governing Body with Terms of Reference;
- iv. the sub-group had minuted its meeting and will ask for these minutes to be considered by the Governing Body. In the minutes they have made a recommendation (membership and constitution) which it was hoped would be agreed by the Governing Body at its meeting on 16th December 2009;
- v. in the minutes of the meeting, the Committee suggested making a recommendation to F&GP on the funding of the project;
- vi. given that the Committee is not yet formally constituted as a sub-group of the Governing Body it may be more appropriate for these recommendations, and a report on the outcomes of the meeting, to be made by the Chief Executive “after consultation with the sub-group”.

9.2.2 Update on the outcomes of the discussion of the group constituted to look at developing The Old Manor House Gardens

NOTED that:

- i. all Governors present were fully familiar with the concept of The Old Manor House Garden and its site within the gardens (as a result of a special presentation which was given to the Governing Body as part of their staff training prior to their last meeting);
- ii. a meeting had been held on 19th November 2009 which had been Chaired by Lady Salisbury and was attended by Malcolm Parkinson, Lady Stuttard, and Stephen Dowbiggin (on behalf of the Governing Body);
- iii. Lady Salisbury had also invited the following to attend the meeting as members of the Advisory Group:

David Gwyther – Director General, HTA

David Everett – Managing Director & Chairman, Anglo Aquarium

Rosalind Everett – Director, Anglo Aquarium

Peter Seabook – Horticultural Editor, The Sun Newspaper – representing News International

Brian Tora – attending in an independent capacity but employed by J M Finn & Co

Tim Redwood – Director, Redwood Stone

Officers present included Nicholas Evans – Director of Estates and Buildings, Mark Cook (Senior Gardener) and Julie Phipps (Senior Gardener).

- iv. Damien Fallon (Finance Director) wished to be a member of the group but was unable to attend this particular meeting.
- v. the Group reviewed the project background and its phasing before receiving a detailed presentation on the development of the project by Mark Cook, Julie Phipps and Tim Redwood.

The Group were very impressed with the proposal and there was significant discussion about its feasibility and phasing and the importance of ensuring that a significant proportion of the project was established by 11th June 2010 for the opening of the first phase;

- vi. the importance of the project's educational contribution, both initially and over the 5 years of the proposed development, was explored and identified;
- vii. an estimate of £300,000 for the cost of the project was explained, as was the fact that already gifts in kind and discounts accounting to a further £100,000 costs approximately, were effectively being met by sponsors and others;
- viii. the Group had produced a funding schedule which demonstrated that, if £60,000 worth of sponsorship could be raised over the 5 years, the cost of the project would be met from within existing budgets and income. If more than £60,000 sponsorship could be raised, then the project would make a net contribution to college reserves over this period;
- ix. the £40,000 per year gardens development budget has been included in the 3 year financial forecast agreed by Governors;
- x. it was a preference of the Director of Estates and Buildings that half of this fund be allocated to The Old Manor House Garden development and that he felt that a further £10,000 could be released from the garden development budget (giving a total of £70,000 over the 3 years);
- xi. whilst the officers had assumed that this £70,000 would be available, this had not been formally agreed by Governors (but F&GP supported such a strategy going forward;)
- xii. a discussion as to whether the project could be "capitalised" and advice from the Finance Director (subject to taking further external advice) that there were examples where the cost of

such projects have been capitalised and therefore that this was a strong possibility;

- xiii. at the meeting, Governors had explored whether it would be possible to complete the whole project by 11th June 2010 and it had been established that this was not feasible (regardless of the availability of funding);
- xiv. the timescale for the completion of the enhanced Phase I was extremely tight and work on the project needed to commence as a matter of urgency. This would require the Chairman of Governors to take action (there was not time to refer this matter to the Governing Body and the power to authorise this expenditure went beyond the powers delegated to F&GP);
- xv. there was a full discussion as to the risks to the Governing Body of entering into this project and further affirmation of the short, medium and long term educational benefits of progressing with this scheme;
- xvi. in the first instance, the minutes of the 19th November 2009 meeting of The Old Manor House Gardens Committee will be considered by the Governing Body, but subsequently that would be for the Governing Body to agree whether that group was a sub-committee of the Governing Body or of F&GP (and the preference of F&GP that it should be a sub-committee of F&GP).

RESOLVED that given the short timescale available, F&GP supported action taken by the Chairman (Chairman's action):

- i. due to the strength of support by F&GP for this project and the importance of progressing it in the short term, F&GP wish to formally record their support for the Chairman to take the following action (to be reported to the next Governing Body meeting) to:**
 - i. agree to release £70,000 from the garden development budget between 2009/10 and 2011/12 for use in 2009/10 (and to seek to capitalise this if possible/appropriate);**
 - ii. authorise a further £70,000 worth of expenditure (from reserves and if possible as a capitalised item) in the first year of the project, with a view to this, or a larger sum, being recovered through subsequent sponsorship or inward investment over the life of the project;**

- iii. **authorise officers to formally agree contractual terms (including discounts and sponsorship elements) with the two main sponsors (Redwood Stone and Anglo Aquarium) to allow work on the project to commence immediately (subject to the enhanced Phase I programme being achieved within the available budgets).**

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the adoption of the outline Business Plan and costings detailed in Appendix II to these minutes;**
- ii. **the incorporation of the appropriate capital and revenue (both income and expenditure) into budgets for the period 2009/10 to 2013/14 to support this budget;**
- iii. **that, subsequent to its formation, Governors give consideration to The Old Manor House Garden sub-group becoming a sub-group of F&GP (who would receive minutes of their meetings) and that the Terms of Reference for F&GP are modified to recognise this and the Terms of Reference of The Old Manor House Gardens full committee also note this;**
- iv. **the authorisation of the creation of a fund raising/sponsorship team (either as part of or as a sub-group to, The Old Manor House Garden committee) to:**
 - a) **raise sufficient support to ensure the proposals achieve or exceed the plan over the 5 year period;**
 - b) **maximise collateral sponsorship income from the National Gardening Centre (with any excess income achieved over budget from this source being considered for re-direction to The Old Manor House project, if appropriate and necessary.**

10. REPORT OF THE FINANCE DIRECTOR

RECEIVED paper 10, report of the Finance Director for decision.

NOTED.

10.1 Donations

NOTED that:

- i. the college had collected a total of £2,164.63 on behalf of other charities (at events at the college) and that the total payment to such charities for the year 31st July 2009 was being reported to F&GP for their information.

10.2 Bad Debts written off during 2009/09

NOTED that:

- i. £2,248.00 written off during 2008/09 (as compared to £7,000 in 2007/08).

10.3 Capel Manor Limited Annual Accounts

NOTED that:

- i. there would be a meeting of the Directors on 8th December 2009 to approve the Accounts and these will be reported directly to the meeting of the Corporation on 16th December 2009;
- ii. the Capel Manor Limited has not traded during 2008/09 but it was necessary to keep the Company dormant so it is available if required in future years by the Corporation.

10.4 Amendments to the financial regulations and value for money

NOTED that:

- i. amendments to the list of approved budget holders. A further amendment was made by the Personnel Manager. The post of Health & Safety and Gardens Operations Co-ordinator should be replaced with "Facilities & Safety Co-ordinator".
- ii. draft amendments to the financial regulations;
- iii. under the Section 19.6 (tenders and quotations), F&GP felt there should be a specialist exception clause (for when there is only one specialist provider for a piece of equipment) and that any use of such specialist exemption should be reported annually to F&GP.

RESOLVED:

- i. to accept the amendment to the financial regulations with the additional clause added at the meeting;**
- ii. to accept the current list of budget post holders (with the amendment detailed above) as submitted to F&GP on 25th November 2009;**

10.5 Change to the charitable status of Colleges

NOTED that:

- i. on 1st October 2009, exempt charities lost their exempt status unless they are registered with a principal regulator (so they can comply with charitable law);
- ii. the principal regulator for corporations created under the Further and Higher Education Act 1992 is the LSC which will cease to exist on 31st March 2010;
- iii. it is expected that the Skills Funding Agency (SFA) will become the principal regulator to preserve the charitable status of further education corporations, but concern that the SFA may not be fully operational until mid-2010.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **they note there have been changes in charity law and the potential effects on Capel Manor Corporation's exempt charitable status, but that no action is taken at the present time (as the same situation is facing all further education colleges and therefore there was confidence that the matter would be resolved).**

11. UPDATE ON CURRICULUM PERFORMANCE AND FUNDING AGREEMENTS 2009/10

RECEIVED paper 11, the report of the Head of College for information.

11.1 Curriculum Financial Performance

Re: 2008/09 year

NOTED that:

- i. receipt of the reconciliation statements for 2008/09 from the LSC which details that the funding received by the college is in line with the budget, even though there had been a slight under performance (-£206,000) on the 16-18 and an over achievement on the 19+ provision;
- ii. as the under performance for 16-18 fell within tolerance limits this was not recoverable, but as the over achievement for 19+ was not in priority areas or of a high enough volume, no extra allocation was received.

Re: 2009/10 year

NOTED that:

- i. recruitment of 16-18 year olds had increased significantly and was already more than 10% over target (head count);
- ii. the college was seeking extra funding for this over achievement (in line with Government policy) but as yet had not been informed as to whether the full amount will be paid or how the payment will be calculated;
- iii. a summary of the full suite of LSC funding agreements was attached for information of the committee.

11.2 Learner Support and Hardship Funds

2008/09 Funding

NOTED that:

- i. the Learning Skills Council had been supportive and flexible in making funds available, both at the budgetary phase and in-year;
- ii. the college had over committed £1,544 and this could not be reclaimed from the LSC and therefore has been met by the College to cover identified needs.
- iii. the total allocation from the LSC at the end of the year was £268,327.

2009/10 Funding

NOTED that:

- i. the LSC had been sympathetic and supportive of the college when allocating funds;
- ii. concern that the funds available for childcare (£14,543) had been reduced from £36,000 last year (due to students potentially becoming eligible for funding through Job Centre Plus);
- iii. concern that the qualification requirements of students to access Job Centre Plus funding appear much more severe than those that were exercised under the FE Learner Support Fund and this has been to the significant disadvantage of those students requiring childcare support.

12. MANAGEMENT ACCOUNTS FOR THE YEAR TO 31 JULY 2009 (ANALYSIS OF OUTTURN FOR 2008/09)

RECEIVED paper 12, the report of the Finance Director for decision.

NOTED that:

- i. Governors discussed Schedule 2 (Income and Expenditure account), Schedule 3 (Balance Sheet) and Schedule 1 (the Key Performance Indicators) in some detail and referred to the Notes (1 to 20) in the document.

12.1 Income and Expenditure Account (Schedule 2)

NOTED that:

- i. officers had performed well in the last 3 months of the 2008/09 financial year and maximised income and reduced expenditure in preparation for the challenging 2009/10 financial year;
- ii. income had been increased by £109,000 over target and expenditure reduced by £94,000 below target;
- iii. the LSC non recurrent grant (income) had under achieved by £47,000 and this reflected a continued decline in the number of projects awarded by the LSC during the later part of the year.

12.2 Balance Sheet (Schedule 3)

NOTED that:

- i. the improved “cash at bank” position and the increased pension fund liability (this was discussed further under Item 14 – the Report on the Financial Statements for the year);

12.3 Key Performance Indicators

NOTED that:

- i. it is important for the Governing Body to be able to review an analysis of the financial accounts for the year in the same format as they consider the management accounts through the year (to enable Governors to focus on and comment upon how the college has performed against the budget which was agreed by the Governing Body);
- ii. Governors focused on the “current ratio” and the “payroll expenditure as a percentage of income” figures and noted that both of these exceeded within Governors’ targets.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **they approve the management accounts and commentary for the year ended 31st July 2009.**

13. LETTER OF REPRESENTATION FOR THE YEAR ENDED 31ST JULY 2009

RECEIVED paper 13, the report of the Finance Director for decision.

NOTED that:

- i. this is in the standard format with no exceptional clauses or additions.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **they empower the Chairman of Governors and the Chief Executive to sign the letter of representation for the financial statements audit for the year ended 31st July 2009 on behalf of the Corporation as part of the process for approving the financial statements for 2008/09.**

14. REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2009

RECEIVED paper 14, report of the Finance Director for decision.

RECEIVED Supplementary Update (giving non material detailed changes due to rounding up of numbers in final document being presented to Audit Committee).

14.1 Pension Deficit

NOTED that:

- i. attention was drawn to page 25 which states that the net pension liability for the Corporation has risen from £405,000 in 2007/08 to £1,378,000 in 2009;
- ii. although this was a significant liability for the college, it was not a current cash demand. It was a “best estimate” by the actuaries of the liability to the college of the Enfield Local Government Pension Scheme (which it is a member of);
- iii. the college staff subscribe to one of two separate pension schemes (or none if they choose):
 - the teachers pension scheme (wholly administered by the Government);
 - the Local Government pension scheme- a local scheme which is part of the Enfield Local Government Pension Scheme (which was the pension scheme used by non-academic staff when the college was part of the London Borough of Enfield);

- actuaries review the Local Government Pension Scheme every three years and introduce changes in employers contributions which is anticipated will be sufficient to eventually negate any liability over time;
- a discussion about the college's options going forward.

RESOLVED:

- i. **to request that the Finance Director:**
 - **produces a more detailed paper on this issue for consideration by a future meeting of F&GP outlining the national position of colleges with similar arrangements to those being experienced by Capel Manor College and any action being taken;**
 - **(if possible without incurring undue expense) reviews of the efficiency, effectiveness and management of the Enfield Local Government Pension Scheme when compared to other Local Government Schemes.**
 - **identifies any options available that Governors could consider in respect of providing a pension for new staff.**

14.2 Discussion of detailed accounting protocol relating to reporting of net interest/return on assets. Reference page 31, note 5.

NOTED that:

- i. Governors sought clarification of the methodology recommended by the financial statement auditors on the treatment on the interest figure relating to pensions (£19,000);
- ii. this had been discussed in detail with Baker Tilly at the final audit closure meeting and the accounts reflected their guidance.
- iii. the Finance Director expressed the view that he shared the surprise of the Chairman of F&GP and had pressed the issue with the financial statement auditors (even though the point is “academic”);
- iv. whilst it was “an academic” point, the Chair of F&GP questioned the procedure being used in the reporting.
- v. after discussion, it was suggested that the matter be raised by the Audit Committee (because then the financial statement auditors are present) but that no further action or alternations to the accounts should be considered.

RECOMMENDED TO THE GOVERNING BODY that:

- i. the accounting policies and the report and financial statements for the ended 31st July 2009 be adopted;**
- ii. the report and financial statements for the year ended 31st July 2009 be approved.**

15. KEY ACCOUNTING RATIOS AND PERFORMANCE INDICATORS FOR 2008/09 AND 2009/10

RECEIVED paper 15, the report of the Finance Director for decision.

NOTED that:

- i. details of the accounting ratios proposed in the Framework of Excellence in their definition of “outstanding” financial health and the college’s own target ratios as set by Governors;
- ii. table 1 shows the key accounting ratios for 2008/09 giving actual Capel Manor’s performance against target and demonstrating that all targets (and outstanding criteria as defined by LSC) were comfortably met and surpassed;
- iii. table 2 consists of the key accounting ratios for the three years going forward and demonstrated that if Capel Manor’s targets are met, the college’s performance indicators targets would be met and exceeded;
- iv. table 3 gives the college’s projected Framework for Excellence scores (2009/10) and demonstrates that if the college achieves its targets, it would be able to claim “outstanding” status under the Framework for Excellence criteria.

RECOMMENDED TO THE GOVERNING BODY that:

- i. they note that for 2008/09 financial year the college has operated within the key accounting ratios that Governors have previously approved for that financial year;**
- ii. they agree the following as being the key accounting ratios for the 2009/10 financial year:**
 - i. current ratio 1.5:1**
 - ii. cash days in hand or greater than 40**
 - iii. operating surplus greater than 0**
 - iv. staff costs equal to or less than 63.45% of income**

16. MANAGEMENT ACCOUNTS FOR THE PERIOD TO 31ST OCTOBER 2009

RECEIVED paper 16, the report of the Finance Director for decision.

NOTED that:

- i. typing error on Schedule 3 – college actual total should read 31st October 2009.
- ii. consideration in detail of Schedule 2 (income and expenditure account);
- iii. a general discussion on the current position of the college after the first quarter's activities and that income was £70,000 less than had been expected this time of year, but that costs had been controlled and these were £93,000 less than had been expected;
- iv. even though the tuition fees and charges were £44,000 behind profile, SMT was confident that the original budget of £887,000 could be achieved. It was accepted that income from non-EU students was lower than last year (£30,000) but this was being offset by increased income from schools and special schools activities. However, it was agreed that this income stream needed careful monitoring going forward and should be the subject of a major review prior to requesting F&GP to consider any amendment to the budget following consideration of the six month management accounts;
- v. education contracts and other grant income was £62,000 behind profile at three months but that the profiling needs further analysis (as at this time last year, income was £25,000 against £21,750 this year). The Finance Director would continue to refine the profiling of budgets and monitor the situation going forward;
- vi. overall expenditure at three months was lower than at the same time last year and that the majority of this saving had been made in administration costs (by reducing marketing, general education and other costs and by the careful management of non-pay generally across the college);

RESOLVED:

- i. **to approve the Management Accounts for the first quarter of 2009/10 and the circulation of the accounts to the Governors.**

17. VARIATIONS TO THE FINANCIAL MEMORANDUM DATED 1ST AUGUST 2008

RECEIVED paper 17, the report of the Clerk for decision.

RESOLVED:

- i. to note that the variation of the Financial Memorandum Part 2 reference number: GL 12008034 – Schedule A, in respect of Employer Responsive Funding 2008/09;**
- ii. to note the variation to the Financial Memorandum Part 2 reference number: GL 12008034 – Schedule A, in respect of Employer Responsive Funding 2008/09;**
- iii. to note the variation to the Financial Memorandum Part 2 dated 1st August 2008 reference number GL 12008034 detailing amendments for 2009/10;**
- iv. to note receipt of the Learner Responsive Funding Reconciliation Statements for 2008/09 (year end estimate).**

18. REPORT OF THE DIRECTOR OF ESTATES AND BUILDINGS

RECEIVED paper 18, the report of the Director of Estates and Buildings for decision.

18.1 New Build Capital Project Work

NOTED that:

- i. amendment that the total fees identified and approved by Governors is confirmed at £115,000 inclusive of VAT;**
- ii. receipt of a status report from the college’s consultants, Fusion Management Limited (available for Governors if required);**
- iii. the college was now entering a period of consultation with the local authority, planning officers and the local community over planning. Whilst the current estimated costs of the developments (of the animal building and animal stockyard development) is in the order of £3.6 million, this may be revised (probably slightly downwards) if proposals for the ambitious building suggested has to be moderated;**
- iv. the importance of ensuring that the Governing Body are aware that:**
 - the funds currently being invested in the development phase would result in a proposal to Governors for funding for a capital project for up to £3.6 million;**
 - Governors have not agreed to commit to this project and before F&GP made a decision they would need to agree a “business and funding plan” for the project;**
- v. at the next meeting of F&GP a funding strategy for the project (based on the final outcome of discussion between architects, planners and the**

local community) should be available for consideration by F&GP and recommendation to the Governing Body.

18.2 Existing Capital Project Update

NOTED that:

- i. the cost to convert the former landscape room and establish a new club house for teaching and interviewing at Gunnersbury Park was £35,488 (against a budget of £35,000 including VAT);
- ii. the cost (following a competitive tendering exercise) of converting building No.19 at Forty Hall to ensure its more effective use, was £9,947.50 (after VAT). This was the lowest tender against a budget of £7,500.

RECOMMENDED TO THE GOVERNING BODY that:

- i. **the budget for the refurbishment of Room No.19 at Forty Hall is increased from £7,500 to £10,000 to reflect the actual costs incurred following a competitive tendering exercise and that the college's capital funding programme is adjusted to accommodate this change.**

18.3 Gunnersbury Park – (Jura Consultants Report)

NOTED that:

- i. Jura Consultants had been engaged to undertake a review of Gunnersbury Park and its future for the London Borough's of Ealing and Hounslow and that the college had been fully engaged in this review;
- ii. significant opportunities for the college had been identified should the scheme be progressed by the local authority.

18.4 Planned Maintenance Programme 2008/09

NOTED that:

- i. details of the completion of the previous five year plan were received.

18.5 Staff Office Accommodation Improvements

NOTED that:

- i. this had been covered in the Chief Executive's report.

18.6 Review of Security

NOTED that:

- i. there had been two significant burglaries at the college (at Gunnersbury Park and at the Enfield site). The college insurers (NFU mutual) have agreed to cover these losses in both instances;
- ii. a full review of security procedures has been undertaken and facilities enhanced as appropriate.

18.7 Update on Gardens

NOTED:

- i. the current improvements to the Gardens;
- ii. the plans going forward.

19. ADEQUACY OF COLLEGE INSURANCES 2009/10

RECEIVED paper 19, the report of the Director of Estates and Buildings for decision.

NOTED that:

- i. the arrangements which had been made with NFU Mutual to allow the college to use the same company to provide legal support as they used to provide legal advice on HR matters (as opposed to the NFU's appointed agents);
- ii. discussion on the future insurance procurement strategy and that, due to the annual cost currently incurred and the fact that the contract was "a three year contract" that the college needed to tender this service, so as to comply with European regulations;
- iii. as the college is currently a member of the Crescent Purchasing Consortium, it could use this Consortium to fast track the procurement process;
- iv. a discussion as to whether the college should (or even could) include a specification in any tendering documentation, that it would prefer to use a "mutual" insurance company and that this would not be appropriate.
- v. a discussion over the potential of using a brokering consultancy to explore the possibility of the college working with other colleges/organisations (but in the same way as Higher Education institutions have done);

RESOLVED:

- i. **to empower the Director of Estates and Buildings to tender college insurance business via the college procurement consortium Crescent Purchasing;**
- ii. **that a report containing recommendations is received by the F&GP meeting in June 2010 detailing the proposed way forward.**

20. PERSONNEL COMMITTEE – MINUTES OF THE MEETING HELD ON 13TH JULY 2009

RECEIVED paper 20, the Minutes of the meeting of the Personnel Committee held on 13th July 2009.

NOTED that:

- i. as Huw Jones Owen had Chaired this meeting (and Doug Fussell, Chair of F&GP had not been present), Huw Jones Owen agreed to sign the minutes as a true record of the meeting as approved by members of the Personnel Committee present at the F&GP meeting.

21. MATTERS ARISING

RECEIVED paper 21, Matters Arising from the Personnel Committee meeting of 13th July 2009.

NOTED that:

- i. the planned meeting for 9th November had not taken place because the full Governing Body had taken a decision to integrate the work of Personnel with that of F&GP;
- ii. there had been significant work undertaken by the Personnel section and the crucial role they had played in enabling the refocusing of the college's resources;
- iii. the completion date for items 4.3 (Personnel Service Standards and the related Customer Satisfaction Survey for Managers) and 4.6 (the introduction of a new performance management scheme) would be the end of December 2009 not the end of November 2009.

22. REPORT OF THE PERSONNEL MANAGER

RECEIVED paper 22, the report of the Personnel Manager for information.

22.1 “Manor Matters”

NOTED:

- i. receipt of Manor Matters.

22.2 Resignations, Appointments and Vacancies

NOTED:

- i. details of retirements, resignations and leavers;

22.3 Human Resources Annual Plan 2010

NOTED:

- i. the update on the Human Resources annual plan and receipt of the proposals for 2009/10;
- ii. recognition of the changes which had evolved as a result of the production and use of a “SMART” annual planning process.

RESOLVED:

- i. that the HR plan for 2009/10 be adopted.**

22.4 New Personnel and Payroll System

NOTED:

- i. Phase I of the introduction of the new system was now complete. This had involved a significant amount of additional work for the Personnel team (in particular the Personnel Officer). The new system would remove duplication between Personnel and Finance in terms of recording and processing personal data;
- ii. Phase 2 of the new system will be completed and implemented in 2010. The elements of the system to be introduced will allow employees to directly access their electronic personnel records and line managers to access their staff records as well as their own. This will increase efficiency, allowing on-line recording, completion of forms (such as holiday cards, mileage claims etc);

22.5 Update on AoC National Pay Negotiations

NOTED:

- i. the AoC agreed with ACM, ATL, GMB, UNISON and UNITE a pay award of 1.5% from 1st August 2009, but that UCU disappointingly decided that they could not accept that offer and were balloting their members seeking authority to take industrial action;
- ii. should Governors be able to meet the AoC recommendation “in year”, they would need to add 0.5% (based on the last year’s salary) and 1.5% increase this year, to ensure that the college’s pay scale aligns with AoC scales;

22.6 Management Training

NOTED:

- i. the programme of management training continued to be delivered and was valued by staff.

23. POLICIES AND PROCEDURES

RECEIVED paper 23, report of the Personnel Manager for decision.

23.1 Disciplinary Procedure (Appendix I)

NOTED:

- i. Personnel Committee last reviewed the procedure in June 2007 (since then a new ACAS Code of Practice 1 (Discipline and Grievance Procedures) has replaced the current statutory procedures - subject to transitional provisions;
- ii. the new college procedure complies to the ACAS Code of Practice;
- iii. the significant change to the new ACAS Code of Practice is the removal of a formal oral/verbal warning stage from the formal warnings section.
- iv. that whilst the ACAS Code of Practice does not stipulate how many days notice should be given prior to a disciplinary hearing, the college reduces the notice in its current procedure from 10 to 5 days (following recommendation by the Chair of Governors made after the use of the procedure to stage an appeal panel hearing);
- v. the Personnel Manager initially assessed the policy through the Equality Impact assessment form and once the policy is amended and/or approved, the assessment will be verified by two other members of the Equality Impact team as part of the consultation process.

RESOLVED that:

- i. the Disciplinary Procedure be adopted;**
- ii. the revised procedure is circulated to all staff for consultation for two weeks (staff will be advised that the procedure will be live during the consultation period);**
- iii. any material changes arising following the consultation with staff and the verification by the Equality Impact team, is reported to the next F&GP meeting.**

23.2 Disciplinary Procedure for Senior Post-Holders (Appendix II)

NOTED:

- i. the Disciplinary Procedure for Senior Postholders had been revised in a similar way to the above to ensure a consistent procedure for all college employees;
- ii. The Remuneration Committee is responsible for “considering and advising the Governing Body on the terms and conditions of service for Senior Postholders and the Clerk to the Governors” and the procedure will be referred to them at their next meeting.
- iii. Members of Finance & General Purposes Committee supported the revised Disciplinary Procedure for Senior Postholders.

23.3 Parental Leave Provisions (Appendix III)

NOTED:

- i. the new parental leave provisions combine a number of existing separate parental leave policies/procedures adopted by the college and will compliment the leave policy adopted in November 2008;
- ii. this rationalisation of policies should reduce bureaucracy and make the system easier for staff to understand.

RESOLVED:

- i. the revised parental leave provisions be adopted;**
- ii. the revised policy and provisions are circulated to all staff for consultation for two weeks (staff will be advised that the policy will be live during the consultation period);**
- iii. any material changes arising from the consultation with staff and the verification by the Equality Impact team, is reported at the next F&GP Committee.**

24. STAFF SATISFACTION SURVEY – JULY 2009

RECEIVED paper 24, the report of the Head of College for information.

NOTED:

- i. there were 95 responses in the 2009 Satisfaction Survey (which represents only 38% return);
- ii. there had been a deterioration in staff satisfaction when compared to last year;

- iii. SMT had already responded to the survey and as a result have developed and instigated an action plan to address issues which had arisen;
- iv. a detailed discussion from Governors over the detailed survey and comments and a review of the actions being taken and proposed by SMT (and an update on progress to date);
- v. Governors were concerned that the survey indicated that staff felt that Governors were less in touch with the college than they had been in previous years;
- vi. a discussion as to how Governors can raise their profile with the staff without affecting the balance which has been created between strategic/operational work;
- vii. discussion on:
 - the framing of the questions asked (often they are process based and are not asking for a judgement as to whether the processes are successful/appropriate or not);
 - the possibility of including some general statements asking staff whether the college is “effective in various areas”;
 - the possibility of reducing the number of questions overall to provide more focus.

25. FRANCHISING ACTIVITY AND PARTNERSHIPS

RECEIVED paper 25, the report of the Head of College for information.

NOTED:

- i. significant increase in the range and volume of activity in preparation for the development of the 14-19 Diploma and strong Government support for the college to invest resources in this area;
- ii. the Memorandum of Agreement that Barking College had been signed on 17th September 2009 and the need for this to be submitted to the full Governing Body.

26. UPDATE ON PROJECTS

RECEIVED paper 26, the report of the Head of College for information.

NOTED:

- i. significant increase in actively supporting 14-16 curriculum;

- ii. projects had been smaller this year with the exception of the six month offer – Heartbeat (LSC and Job Centre Plus) worth £250,000. The first programme had started 2 weeks ago with 14 students.

27. Date of next meeting Thursday 18th March 2010 at 5.30pm.