

CORPORATION OF RICHMOND UPON THAMES COLLEGE

MINUTES OF THE

FINANCE AND RESOURCES COMMITTEE MEETING

HELD ON TUESDAY 18 MARCH 2014 AT 6.00 PM IN ROOM D6

PRESENT:

Peter Llewellyn	Chair of the Committee, Independent member
Cathy Bird	Chair of the Corporation, Independent member
Gergana Duff	Independent member of the Corporation
Paul Sheehy	Academic staff member of the Corporation
David Trigg	Independent member of the Corporation

David Ansell	Principal and Chief Executive
Shereen Sameresinghe	Deputy Principal
Jackie Miles	Head of Finance
Yvonne Glennon	Head of Human Resources
Debbie Parkes	Clerk to the Corporation

1.0 Apologies for absence

Apologies for absence were received from Rebecca Veazey.

2.0 Introductions

The Chair asked members whether they wished to raise any issues under Part Two of the agenda. There were no questions raised.

3.0 Declarations of Interest

There were no declarations of interest in the business to be discussed.

4.1 Minutes of the Finance and Resources Committee meeting held on 28 January 2014

The Committee received the previously circulated minutes of the Finance and Resources meeting held on 28 January 2014. The minutes were approved as an accurate record.

APPROVED

4.2 Matters arising from the Minutes of the Finance and Resources Committee meeting held on 28 January 2014

The Committee noted the report on the Action Points from the minutes.

In relation to agenda item 5.0 'Building a Sustainable Future: Update on Savings, Appendix B', a governor was of the view that the Committee had agreed that Increased Income of £200,000 should not be shown in the Total Savings. The Committee asked for this opinion to be noted and Appendix B of the Update on Savings report to the Corporation on 26 March be amended for clarity.

ACTION: DEPUTY PRINCIPAL

5.0 Management Accounts to 31 January 2014

The Committee received the previously circulated report 'Management Accounts to 31 January 2014'. The Committee also received the tabled report 'Management Accounts to 28th February 2014.'

The management accounts to 28th February 2014 showed a reduced projected deficit of (£714,356), a £60,612 variance when compared to the original budget. The Head of Finance drew members' attention to the key points in the report. Members noted that there was no variance on EFA grant income, that the main grant was front loaded and that monthly payments reduce as the year progresses. SFA grant allocation for 16-18 Apprenticeships has been reduced and the full allocation is unlikely to be achieved due to lower than projected student numbers. Additional tuition fees income and other fee income have been received and the projected income for the year is £190k above the original budget. A governor drew members' attention to the J2J report which had questioned whether the College was obtaining the maximum funding per student. The Deputy Principal advised that the new funding methodology was in place and the College was implementing an approach to ensure maximum funding could be achieved.

The Committee noted that a pressure of £5,514 on finance costs had been identified relating to an increase of the original charges quoted for arranging the overdraft.

The Committee asked whether the College would be able to sustain the better position shown in the February management accounts and noted that the College would need to sustain the costs of preparing for the Redevelopment Project. The Chair recommended that the costs of the Redevelopment Project should be reflected separately in the management accounts.

ACTION: HEAD OF FINANCE

6.0 Building a Sustainable Future: Update on Savings

The Committee received the previously circulated report 'Building a Sustainable Future: Update on Savings'. The report provided an update on the progress made in identifying the target savings of £3.2m set by the Corporation Board. The Committee noted the report on the curriculum management restructure process and on the changes to teaching contract and pay scales. Members' attention was drawn to Appendix C 'Voluntary Redundancies 2013/2014: Update 3 March 2014'.

Appendix B of the report provided updated estimated savings for 2014/2015. The Chair drew members' attention to the initial recommendation to the Board made by the Structure and Options Appraisal Working Group in September 2013, that management should be tasked with achieving savings of £2.6m. In light of this, the Chair felt that the present estimated savings for 2014/2015 represented a very good achievement.

An independent member was of the view that the estimated savings figure for 2014/2015 was not acceptable as the Corporation had, in fact, agreed a savings target of £3.2m.

The Corporation Chair noted that the target figure of £3.2m was an aspirational target and that it could only be achieved if the College had implemented all of the savings measures, which had not been a realistic option.

An independent member asked whether the College should look at other areas in order to close the gap between the estimated savings level and the £3.2m target. The Deputy Principal advised that there were no other significant areas to review.

The Chair felt it would be useful to see how the savings figures would impact on next year's budget and the Deputy Principal agreed to let the Committee have these figures as soon as the funding numbers were clearer and the overall picture could be more firmly predicted.

The staff member noted the importance of attracting students to the College and building a sustainable structure to achieve improvement in quality. The Chair invited the staff member to ask about any specific concerns in this respect.

7.0 The Redevelopment Project Costs

The Committee received the previously circulated report 'Redevelopment Project Costs for 2013/2014' together with the document 'RE 7 E WORKSTREAM 1: Building Development. Estimated Total Cost Summary'. A further document 'Revenue Support for Development Costs' was tabled.

The Principal advised that from March 2014 additional costs would be incurred by the Redevelopment Project and the College contribution to those costs up to July 2014 would be an additional £250,000, which was not available in the College budget. The Principal said that the Borough was willing to cover the cost that would otherwise fall to the College for the time being in order to enable planning on the project to continue. A further document was tabled 'London Borough of Richmond upon Thames: Revenue Support for Development Costs'. This document set out formally to the Chair of Governors Heads of Terms for the proposed financial arrangement between the Council and the College.

The Corporation Chair advised that Darren Jacobs, Validus, would attend the Board meeting on 26 March and the Corporation would debate a number of options about the future of the project.

Members were concerned to ensure that the College's share of the relevant expenditure per the Heads of Term did not exceed £250,000 and advised that this should be a quantum figure.

The staff governor expressed concern about speculative spending on the project between now and July 2014.

A discussion took place about the time pressures for outline planning and members noted that a joint application between all parties would be made.

The Finance and Resources agreed to recommend to the Corporation that the College should pursue the forward funding arrangements for the Redevelopment Project as set out by the

Borough in its letter of 17 March 2014 'Revenue Support for Development Costs'.

AGREED

ACTION: FINANCE AND RESOURCES COMMITTEE

8.0 Human Resources Development Plan 2013/2014

The Committee received the previously circulated report 'Human Resources Development Plan 2013/2014'. The report provided members with an update on progress made against the objectives in the Human Resources Development Plan 2013/2014. The Head of Human Resources drew members' attention to the revisions in timescale where work had been reprioritised and advised that all actions were still to be completed by the end of the summer term.

Turning to Objective 3: 'Staff appraisals are completed within the College cycle and include the setting of SMART targets and related development targets', the Head of Human Resources advised that the completion rate was now considered in a rolling twelve month period. Members noted that 73% appraisals had been completed at 10/3/2014 and that 24% were to be completed before the end of the Spring Term. An Independent member expressed continuing dissatisfaction at the low completion rate. The Head of Human Resources emphasised that the College was working towards a 100% completion rate and that the numbers shown were conservatively reported as they did not account for appraisals held, but not yet formally submitted to HR.

The Head of Human Resources advised that there had been a very successful review of the on-line recruitment system.

Members noted that, in response to the staff survey which had called for better communication, a new College Management Group had been established to cascade information to all staff and this was playing a vital role in improving communication.

9.0 Capital Budget Monitoring Report to February 2014

The Committee received for information the previously circulated report 'Capital Budget Monitoring Report to February 2014'.

10.0 Fees and Charges

The Head of Finance advised that the funding rates for 19+ students had not yet been received, therefore information about Fees and Charges would be emailed to members when it was available.

ACTION: HEAD OF FINANCE

In response to a governor's question, the Head of Finance advised that the College's fees and charges would be kept within the market rate, making increases where possible.

11.0 Update on Health and Safety Matters

The Committee received for information the previously circulated report 'Update on Health and Safety Matters'.

12.0 Contract Approvals

The Head of Finance advised that a bid for SFA FE condition grant of £125,000 had been submitted and if successful this may result in contracts in excess of £100,000, which would be emailed to governors for approval.

ACTION: HEAD OF FINANCE

13.0 Any Other Business

Negotiations with the Unions

In response to a question from the Chair, the Principal advised that negotiations with the Unions were on-going, albeit it did not appear that agreement would be reached in time to avoid some industrial action.

14.0 Date of Next Meeting

WEDNESDAY 25 JUNE 2014 AT 6PM

The meeting closed at 7.30pm