

**The Corporation of the College of Haringey, Enfield and North East
London**

COMMITTEE	FINANCE, POLICY AND RESOURCES
Time and Date of meeting	7.00pm Wednesday 6 October 2010
MINUTES	

MEMBERS

Mr M. Cooke (Chairman), Ms E. Mould (Vice Chair), Mr S Wright, Mr K. Brown, Ms C. Sullivan, Mr P. Head. Mrs J. Bax.

In attendance

Ms J. O'Neill (Vice Principal Curriculum and Learner Experience)
Mr C. McCutcheon (Vice Principal Finance and Resources)
Ms T Carter (Director of Human Resources and Development)
Ms. J. Grant (Interim Director of Finance)
Ms N Shoffman (Secretary to the Corporation)
Mr D. Mathieson

F1/1010 Apologies for Absence

- 1.1 Apologies for absence were received from Ms E. Mould Mr S. Wright and Ms J. O'Neill

F2/1010 Urgent Business

- 2.1 Two items of urgent business were accepted by the Committee as follows:
- i. Security service tender (taken at Chair's Action)
 - ii. Parent Company Guarantee (taken at item 12c)

F3/1010 Chairs Action

- 3.1 Mr C. McCutcheon advised the Committee that the College was obliged to retender over the summer for security services which is a £1.04m plus vat contract over 3 years. The recommendation was that the College accepts Mite who tendered the lowest price and also achieved the highest overall score.
- 3.2 As the contract value is over £1m both the Chairman of this Committee and of the Corporation were asked to and did confirm their agreement to this commitment which is in accordance with approved budgets. This will also be reported

Chair's action to the next corporation meeting on 21st October 2010.

RESOLUTION:
The Committee AGREED to:
Note Chair's action to commit to the security tender

- F4/1010 Declaration of Relevant Interest**
4.1 Messrs K. Brown; M. Cooke; P. Head declared interest in item 12 External Providers, as Directors of College Subsidiaries.
- F5/1010 Minutes of the Meeting (FPR045)**
5.1 The Minutes of the meeting held on 30 June 2010 were **CONFIRMED** and signed by the Chairman as a correct record.
- F6/1010 Matters Arising**
6.1 There were no matters arising from the minutes.
- F7/1010 Human Resources Issues (FPR046)**
7.1 **Update on Human Resource Issues**
Ms Carter presented the report highlighting key issues:
- 7.2 **Employee Relations** – there has been a decrease in capability performance cases; an Increase in capability long term sickness; capability short term sickness remains at the same level; there has been a decrease in disciplinary and grievances; the 3 tribunals are the same as those in the last report and redundancies have increased.
- 7.3 **Recruitment and Retention** – Applications have increased. Out of 39 posts advertised 19 appointments were made. The remaining vacancies are being filled by temps and hourly paid lecturers. There is a problem around recruiting specialist areas in particular lectures in sport and business. The 52 leavers include planned redundancies.

RESOLUTION
The report was NOTED

- F8/1010 College Merger One Year On (FPR053)**
8.1 The Principal presented his report on the outcomes of the College merger as it is good practice to encapsulate key metrics of the merger.
- 8.2 He drew the Committee's attention to the issue of merger costs which stood as at 31 July 2010 at less than £1.7m but will increase to just under £2m.

- 8.3 The Principal summarised that overall the performance indicators demonstrate that the merger had gone very smoothly. The Committee asked the Principal to include in his report to corporation just the summary from the LSN consultants report

RESOLUTION

The Committee NOTED the report and APPROVED the recommendation to stand down the Human Resources Group

F9/1010 SFA/National Policy and Financial Framework (FPR054)

- 9.1 The Committee discussed the contents of the report and the assumptions within around future funding and the possible impact in the College. It was acknowledged that there may be opportunities for the College to pick up funding from smaller institutions because of the minimum contract requirements. More will be known after the SFA produce their guidelines following the upcoming comprehensive spending review.

- 9.2 The Principal informed the Committee that the College is taking part in a benchmarking exercise with Hackney and City and Islington Colleges to look at back office and shared services to see whether costs efficiencies can be made in those functions.

RESOLUTION

The report was NOTED

F10/1010 Health and Safety (FRP047)

- 10.1 The Committee was advised that the H&S manager has left H&S consultant is covering until an appointment is made. The consultant is currently undertaking a risk assessment as a matter of urgency In response to a Member's question as to whether there is a problem with the structure of the post Ms Carter said that we had attracted a good field last time . The Principal said that he is convinced that the job is pitched at the right management level

- 10.2 Ms Sullivan asked that the accident report should include a longer trend period and more analysis to look at reducing any trends.

RESOLUTION

The report was NOTED

F11/1010 Finance & Related Reports (FRP048)

- a. Management Accounts and Progress Report on Financial Outturn 2009-10
- b. Risk Management Update
- c. Enrolment Update
- d. VAT

a. Management Accounts:

- 11.1 Mr McCutcheon reported an operating surplus of £1.5m.
- 11.2 As previously reported merger costs will increase to £2m which will include the new HR system yet to be acquired and a few late restructuring costs.
- 11.3 Mr McCutcheon reported on the College companies' performance as follows:
- The deficit made by KIST can be contained. As previously discussed it is planned to write off KIST's £600k goodwill.
 - Apprenticeships First has made a contribution of £250k
 - Both CTL and CIS have turned around.
- 11.4 The overspend on non pay costs is partly to do with provisions made and partly to do with budgets against certain allocations which have been franchised out.

RESOLUTION

The report was NOTED

b. Risk Management Update

- 11.5 The Committee considered the changes to the register since the last report.
- 11.6 The Committee was advised that safeguarding training (risk group 15) can be completed remotely. In respect of Security (risk group 16) the Principal updated the Committee on the current security arrangements in place at Enfield.

RESOLUTION

The report was NOTED

c. Learner Enrolment Update

- 11.7 Recruitment numbers are on target for adult learners. There is a continuing challenge on 16-18 numbers on which we are down slightly compared to last year. During the year it is planned to pick up some ESOL learners. However there is still likely to be a gap and to address that there will be a recruitment drive in January.
- 11.8 There are some assumptions around franchises. We will be pushing franchise partners and CTL/CIS which all have very high targets to achieve.

- 11.9 The Chairman asked where the learners were going if not to CoHENEL and the Principal advised that learners are happy to travel for the right course. We are competing with City and Islington whose numbers are up; a new 6th form College in Barnet and several academies in Hackney. He went on to say that the finances will be alright but we will need to be closer on numbers

RESOLUTION
The report was NOTED

d. VAT

- 11.10 Mr McCutcheon reported on PricewaterhouseCoopers (PWC) proposal in respect of settling the VAT dispute with HMRC. He said he did not feel inclined to pay out without some further investigation and recommends we commit to the first two stages of the first tier appeal to the tax tribunal at a cost of £14,000.
- 11.11 The Chairman suggested there may be other Colleges involved in similar disputes and we should investigate the possibility of grouping together in a class action against HMRC.

RESOLUTION
The Committee NOTED the report and APPROVED the expenditure of £14,000 for further investigation

F12/1010 Property Strategy Update (FRP049)

- 12.1 The Principal and Mr McCutcheon provided a progress report on the property strategy. The Committee were satisfied with the progress made to date and the courses of action being taken.

RESOLUTION
The report was NOTED

F13/1010 External Providers (Update Report) (FRP050)

- a. Partnerships and Franchising
- b. Joint Ventures
- c. Parent Company Guarantee

a. Partnerships and Franchising

- 13.1 The Committee considered the various changes and commented that there needs to be a change to the reporting of data

RESOLUTION
The report was NOTED

b. Joint Enterprises

- 13.2 Mr McCutcheon advised the Committee that this report provides the details on the joint enterprises, associated organisations and directorships that the College or Principal is involved with.

RESOLUTION

The report was NOTED

c. Parent Company Guarantee

- 13.4 Mr McCutcheon spoke to the tabled report seeking agreement to the College providing a parent company guarantee. He explained that the intention is for it to operate for subsidiaries (mainly KIST) rather than the joint ventures. The need to provide the guarantees will be reviewed on an individual contract basis
- 13.5 The Committee were satisfied that there is no issue with the wholly owned subsidiaries but said that we will need to negotiate a cross indemnity with other partners in joint companies. The Committee asked that this be highlighted in the amended report which will go to Corporation for approval.

RESOLUTION

**The Committee AGREED:
Note the report and RECOMMEND for APPROVAL to the Corporation**

F14/1010 Governance Issues (FPR051)

- a. Committee Terms of Reference Review
- b. Committee Attendance 2009-10
- c. Committee Performance Review 2009-10

a. Committee Terms of Reference Review

- 14.1 The review of the Committee terms of reference was deferred to the next meeting.

b. Governor Attendance 2009-10

- 14.2 It was noted that Committee attendance was 93% against a target of 70%.

c. Committee Performance Review 2009-10

- 14.3 It was noted that the Committee has been highly successful throughout the year and contributed sound advice to the corporation in undertaking its responsibilities.

RESOLUTION

The report on Governance Issues was NOTED

F15/1010 Date of Next Meeting
7.30pm 24 November 2010 at the Enfield Centre.

F16/1010 CONFIDENTIAL MINUTES of the Meeting held 30 June (FPR052)

16.1 The Confidential Minutes of the meeting held on 30 June 2010 were **CONFIRMED** and signed by the Chairman as a correct record.

16.2 The Committee agreed these minutes should be declassified as non- confidential and made available in the public domain.

Signed:..... Date:
(Chairman)