

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

<b>COMMITTEE</b>	<b>FINANCE, POLICY AND RESOURCES</b>
Time and Date of meeting	7.00pm Wednesday 24 November 2010
<b>MINUTES</b>	

**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)

**F1/1110      Apologies for Absence**

- 1.1 Apologies for absence were received from Mr S Wright and Ms T Carter.

**F2/1110      Urgent Business**

- 2.1 One item of urgent business was accepted by the Committee as follows:  
Amendment to College Financial regulations in respect of subsidiary companies (taken at item 11c)

**F3/1110      Declaration of Relevant Interest**

- 3.1 Messrs K. Brown; M. Cooke; P. Head declared interest in item 11 External Providers, as Directors of College Subsidiaries.

**F4/1110      Minutes of the Meeting (FPR053)**

- 4.1 The Minutes of the meeting held on 06 October 2010 were **CONFIRMED** and signed by the Chairman as a correct record.

**F5/1110      Matters Arising**

- 5.1 The Principal advised the Committee that following a challenge (on a technicality) on the tender process for the Security service the College re-tendered for this contract. The highest scored company was Mite who was awarded the original tender. The company who challenged the original process and was unsuccessful in the re-tender exercise is

now seeking around £30k in abortive tendering costs. The claim is being rejected.

**F6/1110**

**Finance & Related Reports (FRP054)**

a. Financial Outturn 2009-10 Audited Accounts, Auditors Management Letter and Response and Regularity Audit Opinion.

b. Management Accounts October 2010

c. Fees Policy 2011-12

d. Enrolment Update

e. Student Union Accounts

**a. Financial Outturn 2009-10 Audited Accounts, Auditors Management Letter and Response and Regularity Audit Opinion**

6.1 Mr McCutcheon advised that total income has decreased by 6%; expenditure has reduced by 5%. The Group has generated a surplus of £630k but with the exceptional item of FRS17 provision this has increased to £2.4m. Some minor capital items have been written off.

6.2 Mr McCutcheon was satisfied that the accounts have been presented well. There is a need to do some work to look at reversals and provisions made once projects have been concluded and audited as some may not subsequently be required which will have a beneficial impact on this year's accounts.

6.3 The cash generated in year from operating activities, after allowing for capital spend, will be sufficient to fund the new student centre at Enfield. A discussion ensued around the Enfield pension scheme and the potential impact on the audit opinion.

6.4 Two issues have arisen from the 2010 audit but these are not considered significant weaknesses. The auditors have made recommendations to address these issues which have been agreed by Management.

6.5 The Chair commended the sound financial situation the college is in.

**RESOLUTION**

**The Committee RESOLVED in respect of the Financial Statements 2009-10 - Auditors Management Letter and Response and Regularity Audit Opinion to:**

i) **Note that these had been considered by the Audit Committee;**

ii) **RECOMMEND that the Corporation APPROVE the Audited Financial Statements 2009-10.**

**b. Management Accounts:**

6.6 Mr McCutcheon reported on the Management Accounts for the period August 2010 To October 2010 (Month 3 – 2010/2011) which shows a forecast operating surplus of £49k and a historical cost surplus of £451k. The College is on target to achieve the budgeted surplus.

6.7 Adult apprenticeships remain a challenge and the college has not made any provision for a potential deficit. The cash position is sound.

6.8 The chair queried the effectiveness of the current investment strategy which spread the risk across different institutions but enabled all the exposure to fall on one sector ( eg uk building societies) which might suffer from systemic failure. The Committee agreed this should be reviewed at a future meeting.

**RESOLUTION**

**The Committee AGREED to:  
Note the Report**

**c. Fees Policy 2011-12**

- 6.9 Mr McCutcheon advised the Committee that he has endeavoured to set a fees policy but it will be subject to a review as time progresses when more is known about the funding regime.
- 6.10 Two options are presented for consideration. Firstly a standstill scenario and secondly a 3% increase to reflect general inflation.
- 6.11 In response to a question from the committee Mr McCutcheon said that at present a considerable number of adult learners qualify for fee remission. However as of next year only those only on active benefits will qualify for full fee remission and only 10% of the College's adult learners are on job seekers allowance.
- 6.12 The College gets £1m income from fees so a more strategic analysis is needed. The Principal suggested a differentiated scale could be introduced.
- 6.13 A decision is required at this point despite all the uncertainties as the adult prospectus goes out in January. The Committee felt it would be justified to increase fees by 3% but that an internal fee remission policy should be introduced as part of the college business plan. The Committee further agreed that in the longer term there would be a strategic review of the fees policy

**RESOLUTION**

**The Committee AGREED to:**

**RECOMMEND APPROVAL to the Corporation of an increase of 3% of Fees charged subject to a review of fee remission in the light of anticipated funding changes.**

**d. Enrolment Update**

- 6.14 Ms O'Neil reported that a major recruitment campaign will start in January and the 16-18 targets should be achieved. The franchise partners should achieve their targets.
- 6.15 A discussion ensued around the provision and delivery of apprenticeships, the subcontracting arrangements with specialist companies and the College's links with larger companies as part of this work.

**RESOLUTION**

**The Committee AGREED to:**

**Note the report**

**e. Student Union Accounts**

- 6.16 The Committee noted that a surplus of £197 was recorded for the year (2008/09: deficit £601). This was after £1,927 contribution from the College. The Union's fund has consequently increased to £5,697 (2008/09: £5,500), with the College being committed to funding the Student Union at an appropriate level to ensure that the Union achieves its objectives. The Union is making plans for the future and is likely to be involved with a number of developmental activities in the 2010/11 year.

**RESOLUTION**  
**The Committee AGREED to:**  
**APPROVE the Accounts of the Student Union.**

**F7/1110 Risk Management Annual Report 2009-10 & Risk Register (FPR055)**

- 7.1 The Committee considered the changes to the register since the last report.
- 7.2 Mr McCutcheon advised the committee that the risk around Merger has been removed and highlighted other changes
- 7.3 The Committee was advised that all the college subsidiary companies have a risk register in place.

**RESOLUTION**  
**The Committee AGREED to:**  
**RECOMMEND APPROVAL of the Risk Management Annual Report 2009-10 and Risk Register to the Corporation.**

**F8/1110 Human Resources Issues (FPR056)**  
**Human Resources Issues**

- a. Draft Policies:
  - i) Complaints procedure against the corporation
  - ii) Grievance procedure for Senior post holders
  - iii) Disciplinary procedure for Senior post holders
- b. Appraisals and Tutorial Observations Report
- c. Update Report from the Director of Human Resources

- a. Draft Policies:
  - i) **Complaints procedure against the corporation**
  - ii) **Grievance procedure for Senior post holders**
  - iii) **Disciplinary procedure for Senior post holders**

- 8.1 The Principal explained that as part of the harmonisation of all policies and procedures following merger these three along with one more to come – **procedure for complaints against Senior Post Holders** - will be the last set of such policies. Several amendments were agreed and subject to these the Principal suggested they be sent to the lawyer for a legal and compliance check before submission to the corporation for approval.

**RESOLUTION**  
**The Committee AGREED to:**  
**Note the report and RECOMMEND for APPROVAL, subject to minor amendments and legal oversight, the draft polices to the Corporation**

- 8.2 **b. Appraisals and Tutorial Observations Report**  
Ms O'Neil explained the appraisal process which demonstrates the link between teaching and learning and appraisal. There have been delays in completing all appraisals due to changes in HR personnel. This is now top of everyone's agenda and all managers have been trained in the process. There is a on going training cycle and a full

appraisal schedule for the year has been agreed. It will take time to embed all the processes and these will be reviewed and needs streamlined where appropriate.

**RESOLUTION**  
**The Committee AGREED to:**  
**Note the report**

**c. Update Report from the Director of Human Resources**

**RESOLUTION**  
**The Committee AGREED to:**  
**Note the report**

**F9/1110 Health and Safety (FRP057)**

- 9.1 The Committee was advised that a new H&S manager has been appointed and will be taking up the post in January.

**RESOLUTION**  
**The Committee AGREED to:**  
**Note the report**

**F10/1110 Property Strategy Update (FRP058)**

- 10.1 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.
- 10.2 In respect of the construction training centre tenders have all been submitted and are on or around or below the QS estimate. It is expected that an evaluation report will go to Corporation on 13 December. The College is currently awaiting SFA and planning consent but there should not be an issue in obtaining either of these.
- 10.3 Mr McCutcheon provided details of a refurbishment programme drawn up by the retained design team from KSS architects, for implementation predominately at the Enfield site over the coming years. The indicative fee cost is £98k plus VAT. Initially this could be capitalised and retained so, if the projects ultimately progress. Approval is requested for a capital budget to accommodate this.

**RESOLUTION**  
**The Committee RESOLVED to:**

- i) AGREE subject to tender evaluation and formal acceptance of the successful tender by the Corporation to proceed with the building of a new construction training centre of 939 sq metres at the Enfield Centre at a cost not exceeding £2.2m . It is noted that no borrowing is required as the full cost will be met from College reserves. If the full tender evaluation is not confirmed by 13th December when the Corporation meet, the Committee will request the corporation to delegate this decision to the corporation chairman.**
- ii) RECOMMEND APPROVAL of an additional capital budget of 98K + VAT for the design of a refurbishment programme at Enfield & Tottenham, to the**

**iii) Corporation  
NOTE the report**

**F11/1110 External Providers (Update Report) (FRP059)**

- a.** Partnerships and Franchising
- b.** Joint Ventures
- c.** Amendment to College Financial regulations in respect of subsidiary companies

**a. Partnerships and Franchising**

- 11.1 Mr McCutcheon advised the Committee that the SFA have confirmed by e mail that the college will be paid for all 16-18 apprenticeships delivered.
- 11.2 Mr McCutcheon advised the Committee that the planned new IT franchise will require some capital investment and asked that that the Committee delegates' approval for this under Chairs action, once the proposal and costs have been formalised

**RESOLUTION**

**The Committee RESOLVED to:**

**i) AGREE to Delegate approval of the expenditure for IT Franchise capital investment under Chairs action.**

**ii) Approve the new franchised contracts described in the report**

**iii) NOTE the report**

**b. Joint Enterprises**

- 11.3 The Principal updated the Committee on an approach received from a company to purchase (or enter into a long lease) of the TGEC occupied properties adjacent to the Tottenham Centre, once the current lease expires. Both the council and the college have agreed to explore this further and currently a property valuation, commissioned by Haringey's property advisor, is being undertaken.

**RESOLUTION**

**The Committee AGREED to:**

**NOTE the report**

**c. Amendment to College Financial regulations in respect of subsidiary companies**

- 11.4 Mr McCutcheon advised the Committee that the College financial regulations have been updated to include the college companies following an audit recommendation.
- 11.5 The Committee said it was happy to recommend approval of the amendment however the boards of each company would need to formally adopt the College Financial regulations.

**RESOLUTION**  
**The Committee AGREED to:**  
**Note the report and RECOMMEND for APPROVAL the amendment to College Financial regulations to the Corporation**

- F12/1110 Governance Issues (FPR060)**  
a. Review of the Committee's Terms of Reference and Progress against committee workplan  
b. Proposal to remove staff forums and implement a different process

- 12.1 **a. Review of the Committee's Terms of Reference and Progress against committee workplan**

**RESOLUTION**  
**The Committee AGREED to:**  
**i) RECOMMEND the revisions to the terms of reference for APPROVAL to the Corporation**  
**ii) Note the report**

**b. Proposal to remove staff forums and implement a different process**

- 12.2 The Principal advised the Committee that there has been an issue with the staff forums as they are not providing an effective platform.  
12.3 There is a commitment within the QIP to carry out a structured staff survey which will be backed up by focus groups of staff to evaluate the responses and Governors could attend these in a similar way to the new learner forum structure.  
12.4 The Committee agreed in principle that the process should be reviewed and asked Principal and Secretary to come back with a full proposal and agreed to postpone the forthcoming staff forum meetings pending the consideration of the proposal.

**RESOLUTION**  
**The Committee AGREED to consider a full proposal at the next meeting.**

- F13/1110 Date of Next Meeting**  
7.00pm Wednesday 02 February 2011 at the Tottenham Centre.

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