

## HOPWOOD HALL COLLEGE CORPORATION

Minutes of a meeting of the Employment and Finance Committee held on 11 February 2010

<b>Present</b>	Robert Clegg (Chair)	James Gallagher	Derek O'Toole (Principal)
<b>In Attendance</b>	Ralph Devereux (Clerk)	Janet Meenaghan (VP(C&Q))	OJ Rahim (Exec Dir Skills)
	John Spindler (VP (F&CD))		
<b>Apologies</b>	Linda Feerick	Caroline Taylor	

### 17/09 APOLOGIES, ELIGIBILITY, QUORUM AND DECLARATION OF INTERESTS

The apologies were accepted. No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and no interests had been declared.

### 18/09 MINUTES OF THE LAST MEETING

The Minutes of the meeting held on 17 December 2009 were confirmed and signed.

### 19/09 MATTERS ARISING AND NOTIFICATION OF URGENT BUSINESS

- a. There were no matters arising
- b. No urgent business was requested.

### 20/09 FINANCE REPORT

The Finance Report accurate to 31 December, for the first 5 months of the year were scrutinized in detail and it was noted that the present forecast position remained distorted by profiled LSC payments. The current surplus stood at £279k against a forecast £587k an unfavourable variance of £308k. YTD income was £630k below expectations due to a lower than expected Adult Safeguarding contract and significantly lower fee income. YTD expenditure was £322k to the good, mainly because of a lower level of pay award and unfilled posts and corrective action had been initiated to curb higher than expected non-pay expenditure. All other variations were noted as fully attributable, were analyzed and discussed. The reduction in reserves, brought about by nugatory expenditure associated with the abortive LSC Capital Programme had introduced some cash difficulties during the lean months of the LSC profiled payments, particularly in March and April; additionally, new LSC income payments (ieR2R) fluctuated considerably each month. Accordingly it had been necessary to increase the present overdraft facility with the Co-op Bank to a new maximum of £1.2m to cover any cash shortage, this arrangement had been market tested and, at an arrangement fee of £2k and interest at base plus 2%, represented the best deal and would remain extant in the medium term; this was noted and approved. The necessary urgent and budgeted capital spending on ICT was proceeding as planned. The graphical information was then studied and discussed, key PIs and the overall FMCE Grade (Good) were noted. The report was recommended to the Corporation.

- a. Treasury Management Policy. The Treasury Management Policy, updated to reflect best practice was considered and recommended to the Corporation.
- b. Bank Signatories. Significant changes in style and personalities of the management team had prompted revision of the list of approved cheque signatories; the suggested list was considered and approved.
- c. New Build. The new accommodation strategy in total would cost up to £8m of which the LSC would fund £3.8m and the remainder (£4.2m) funded through a bank loan; alternative sources of funding (such as the PWLB) would not be available in time for this project. Barclays had offered a preferential arrangement, reflecting earlier work on the

previous abortive capital project; discussions continued both with them and the Coop Bank. The committee would be kept informed of progress.

- d. Funding 2010/11. Indicative allocations for 2010/11 had been received and, despite the loss of AS and A2 students, the funded learner total was reduced by only 44 from this year and stood at 2806, as the provider factor had also moved up from 1.14 to 1.15 prompting an increase of c£200k, the cumulative effect would be an expected general increase in 16-18 funding to c£12.8m and this was welcomed. ALR funding had been reduced nationwide by between 10%-25% over the current year, the college cut was 10%, ER funding had also been reduced by c£500k+ and was complicated by the LSC dictat regarding phased funding which had been considered at earlier meetings. In order to mitigate the effect of these reductions and to implement the budgetary policy of aiming for a 2% surplus an efficiency study had been implemented, the corporation had formed a working group to assist management on this issue.
  - e. General. It now looked as though costs associated with the recent ill health retirements would be reduced by c£100k. A new AD (HR), Caroline Street, had been appointed and would start work on 1 March.
- a. **The Information was noted and received.**
  - b. **The cash flow and the changed overdraft arrangements were noted and agreed.**
  - c. **The Treasury Management Policy was recommended to the Corporation.**
  - d. **The revised cheque signatory list was approved.**

#### **21/09 HR REPORT**

The HR Report presented to the committee for the first time at the last meeting had been revised to present information more visually and it was agreed as a more user friendly style. The content was discussed and it was probable that reduction in Grievances and Disciplinary cases would feed through as the changes in the HR arrangements became effective. Sickness statistics were discussed in particular and it was agreed that in general they were heartening and that LT absence was likely to fall since the recent retirements became statistically effective. The efficiency project previously considered at 20/09d was considered and the progress noted and welcomed.

**The information was welcomed and received.**

#### **22/09 URGENT BUSINESS**

There had been no urgent business requested.

#### **23/09 DATE OF NEXT MEETING**

The next meeting would be on 22 April 2010.