



## **Minutes of the Special Meeting of the Finance & Resources Committee of the Corporation**

**6th July 2011**

**Held in the Principal's Office in the South Building**

**Present:** Mr Warwick Hall (Chair)  
Mr Colin Hefford  
Councillor Kevin Maton  
Mr Paul Taylor (Principal)

**In Attendance:** Mr David Beckett, Clerk to the Corporation  
Mr Mark Payne, Vice-Principal Finance  
Mrs Gill Manthorpe, Vice-Principal Communications,  
People & Development  
Mrs Carrie Smith, Vice-Principal Commercial Development

**F31/11 Apologies for Absence**

No apologies for absence were received.

**F32/11 Disclosure of Interest**

The Vice-Principal Communications, People & Development declared an interest in the item on Pay Award Update in that she was the lead officer on the matter.

**F33/11 Financial Strategy 2011-2014 & Budget 2011/12**

The Vice-Principal Finance presented a report asking the Committee to recommend that the budget and three-year forecast proposed within it be approved by the Corporation at its meeting on 6th July 2011.

The proposal was for a break-even budget for 2011/12. Financial projections for 2012-2014 were based on latest estimates of key funding allocations but the various agencies had not provided any guidance on future planning assumptions. The budget and forecast were constructed such that the College returned financial results that demonstrated sound financial management, contained robust financial indicators and was able to continue to develop its plans for a Phase 3 building.

The forecast indicated that in year three the College would make an operating deficit of £250,000 and that cash balances would have reduced by more than half. At that point the current ratio would be 1:1 (i.e. extremely tight). Whilst it was fair to say that there was a degree of risk attached to implementing these financial proposals because of the scale of expenditure reduction, it was equally true to say that Colleges were being driven to develop financial structures that would ultimately bear little resemblance to those that they had been familiar with. In particular, the level of efficiency demanded by the funding agencies for Colleges to secure contracts would become even more significant.

During discussion, members examined the composition of non-pay expenditure and the accounting treatment of IT resources.

The Committee resolved:

- (a) To receive and note the content of the report.
- (b) To recommend that the budget and forecast be approved by the Corporation at its meeting on 6th July 2011.

**F34/11 Pay Award Update**

The Vice Principal Communications, People & Development presented a report noting that members of the Committee had held an

informal meeting on 28th June 2011 where an item regarding Pay Award had been discussed.

The basis for this was that the Committee be asked to agree to the Management Team opening discussions regarding the Pay Award for 2003/04 with the relevant trade union.

In order to give background detail to this very unusual request, the report had been prepared accordingly. Employee relations at the College needed to be given substantial attention at the present time and so making a conciliatory move on the issue would be very helpful.

In discussing the report, members ascertained what the implications of a local dispute might be should one arise and how discussions on the issue would be likely to take place. Members also considered longer-term issues in respect of pay.

The Committee resolved:

- (a) To receive and note the content of the report.
- (b) To agree that talks regarding the non-consolidated award for 2003/04 might commence with the relevant trade union against a background of affordability.

**F35/11      Next Meeting**

The Committee noted that its next meeting had been set for 5.00 pm on Tuesday 29th November 2011.

**F36/11      Publication of Papers**

The Committee resolved that, for commercial reasons, Document 1 (Financial Strategy 2011-2014 & Budget 2011/12) and that, due to being under discussion with the trade unions, Document 2 (Pay Award Update) be withheld from publication and that the other papers of the meeting be published.

**Meeting Opened: 4.45 pm**

**Meeting Closed: 4.59 pm**

**DPB**