

## CITY OF WOLVERHAMPTON COLLEGE

### Minutes of the Meeting of the Estates & Finance Committee of the Board of Governors held on Monday 9 February 2009 at 3.30pm in the Conference Centre, Paget Road

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#### PRESENT

Cllr B Cox (Chair)  
Mrs J Kitchen

Mr I Millard  
Mr WA Parker

Ms S Meddings (Clerk)

#### IN ATTENDANCE

Mr A Brodie  
Ms J Eminson  
Ms E Payne  
Mr P Polowyj

#### **01/09 MINUTES OF THE PREVIOUS MEETING – 1 DECEMBER 2008**

##### **Resolved:**

That the minutes of the previous meeting held on 1 December 2008 be approved as a correct record.

#### **02/09 2008/09 MONITORING REPORT**

The Committee received the 2008/09 monitoring report which

- Provided a summary of the financial position to December 2008 (representing five months of the financial year 2008/09) with implications for the full year;
- Provided an update on the issues reported to the December Board of Governors, where the target of a full year surplus of £800,000 was outlined, underpinned by a number of actions.
- Outlined the current cashflow position of the College and the impact of the delay in receiving the Lennartz adjustment of £1.5m for Wellington Road.

The following were noted:

Previous reports in the financial year have outlined the difficulties that colleges have faced in being able to monitor and report on LSC contract performance due to a combination of software/data collection processes not being fully developed (by the LSC) and the fragmentation of contracts. It was reported that these issues have been largely overcome and that the College was now in a position to focus on the main areas requiring action.

Headline issues were:

- LSC Youth contract (£12.7m), Apprentices (£2.1m up to £2.7m); E2E (£600k); Additional Learning support (£2.3m) were all on target to be achieved in the updated budget.
- Train 2 Gain would require managing in the remainder of the year as this was currently behind profile.
- Staff costs would require managing. The approved voluntary severance package has targeted one off cost savings of £440,000 in year.
- Non pay was currently on line but would require managing in the remainder of the year given that savings have been effected across a range of budgets with a view to achieving the target surplus.

The Committee noted a number of additional income streams, not assumed in the original July 2008 budget including

Programme Led apprentices (PLAs) activity of £500,000 with a further cohort of students to be targeted.

New opportunities for regeneration contracts from April 2009 under the City Council's Working Neighbourhoods Fund which, if secured, would amount to £238,000.

*Ms J Eminson joined the meeting.*

In respect of the current cashflow position, it was reported that the College had been required to extend the overdraft facility with Barclays Bank for a short period because the VAT Lennartz adjustment had been delayed. It was reported that receipt of the Lennartz adjustment was imminent which would ease the cashflow position.

In considering the contents of the report, discussion arose on the following:

- The presentation of financial information to Governors. The Committee discussed methods of presenting information more clearly, for example, the use of graphical analysis of profiling against budget. It was suggested that an analysis of trends would also be useful. It was agreed that the presentation of financial information to Governors would be examined as part of an ongoing review.
- The role of the revised £800,000 surplus in the 2008/09 budget. The Committee discussed whether the revised approved surplus of £800,000 included "headroom" should other areas of income not achieve target.

Following prolonged discussion, the Chair of the Committee emphasised that the Board of Governors had approved a revised budget at the Board meeting on 15 December 2008 which included a target surplus of £800,000 and that Governors would therefore expect officers to work towards the achievement of this surplus.

### **03/09 INCOME DIVERSIFICATION 2008/09**

The Committee considered a report on the progress made to date in diversifying the College's income base and the prospects for securing additional contracted work in 2008/09.

The Committee noted a summary of the contracts continuing from 2007/08 and new contracts secured in 2008/09 together with contract values and progress to date.

The Committee further noted a number of new opportunities for further contracts from April 2009 onwards under Wolverhampton City Council's Working Neighbourhoods Fund.

#### **04/09 PARTNERSHIP PROVISION**

In receiving the 2008/09 monitoring report on the College's Partnership Provision the Committee noted that overall provision was on track to achieve the 2008/09 targets under the Adult Learner Responsive funding stream.

#### **05/09 PROPERTY STRATEGY UPDATE**

The Committee received a progress report on the College's Property Strategy and noted the following:

The LSC has temporarily put on hold consideration of college applications relating to capital developments until March 2009. The Committee noted copies of correspondence outlining the background to the decision and the implications.

In respect of the implications for the work to prepare AIPs for iCentral and Paget Road it was reported that professional advisers continue to develop the design brief, drawings and costings, in anticipation of submitting an AIP for the iCentral project in April 2009. Should the current LSC position on considering applications continue on a permanent basis, the abortive costs would total approximately £250,000. These costs would be sought from the LSC, given that the College has been encouraged to submit an AIP for this development by the LSC.

In respect of the implications for the Paget Road element of the College's Property Strategy, it was reported that no professional advisers have been appointed and that it was not the intention to enter into any contractual commitment on Paget Road until the LSC position was clearer.

The Committee were reminded that the Property Strategy workshop to be held before the Board meeting on 2 March would provide an opportunity for Governors to look in more detail at the iCentral and Paget Road proposals.

With regard to Wellington Road, it was reported that development was close to being fully operational. The slight delay on the Sports block has been managed by the curriculum team for that area. Planning consent for the larger All Weather pitch has been received enabling the application for grant support to be made to the Football Foundation

The Committee further noted the appointment of Ridge as the cost consultants for the iCentral development.

#### **06/09 LSC NEGOTIATIONS 2009/10 – INCLUDING FEES GUIDANCE**

The Committee considered a report outlining the latest position regarding LSC guidance on the contract negotiations for 2009/10 and presenting the proposed College fee policy for 2009/10.

**Resolved:**

That the fee policy for 2009/10, within which the tuition and other fees would be determined by the Principal as part of his responsibilities as Chief Executive, be set as follows:

<u>FE Courses</u>	47.5% of base rate
<u>HE (HNC) Courses</u>	£900
<u>International Courses</u>	
Full time 'A' Level	£4,300
Access to HE	£4,200
Foundation Degrees	£8,300
Part time	£12 per hour

**07/09 ANALYSIS OF DEBTORS**

The Committee received an update on the level of debtors on the balance sheet as at mid January 2009.

A summary of the ledger by category of debt at mid January was considered. It was reported that the total balance of amounts due was £1,095,706.

The College continues to pursue a number of aged debts. The cumulative value of debts to 2006/07 at 12 January 2009 was £243,516, a reduction of £167,356 from the figure reported in July 2008 of £410,872.

**08/09 TRAVEL AND SUBSISTENCE RATES – 2009/10**

Governors considered proposed travel and subsistence rates for staff and governors for the tax year 2009/10.

In noting that the subsistence rates had been increased in line with inflation, Governors

**Resolved:**

That the proposed travel and subsistence rates, effective from 1 April 2009, be approved subject to any update subsequently forthcoming from the Inland Revenue regarding travel rates.

**09/09 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING – 1 DECEMBER 2008**

**Resolved:**

That the confidential minutes of the previous meeting held on 1 December 2008 be approved as a correct record.