



**MINUTES OF THE TRC
RESOURCES COMMITTEE MEETING**

MONDAY 30 SEPTEMBER 2013

PART I

PRESENT

Mr JFB Clark; Ms R Hill; Mr P Jagger MBE; Ms J Powell; Dr P R Williams.

Mr P Jagger MBE took the Chair.

In Attendance:

Ms A J Oaks, Clerk to TRC Corporation

Mr M Patterson, Vice Principal Finance & Resources

Mr D Barlow, Site Manager.

APOLOGIES

13.01 Apologies were received from Mr M Chaudhary and Mr Z Nazir.

DECLARATIONS OF INTEREST

13.02 Members were reminded of the need to declare any interests. No interests were declared in respect of agenda items however, members reserved the right to declare an interest at any stage of the meeting.

MINUTES

13.03 The Minutes of the meeting held on 24 June 2013 were agreed as a true and accurate record and were signed by the Chairman.

MATTERS ARISING

13.04 Members received a list of actions arising from previous meetings and noted the status of these.

MANAGEMENT ACCOUNTS JULY

13.05 The Period 12 unaudited accounts showed a deficit at the year end. The VP F&R summarised the major variances which were due mainly to the installation and depreciation of the new IT system, costs for which had been charged to 2012/13 accounts as the project was completed ahead of schedule. Other variances included admin costs and staff turnover where there had been expansion in some areas, some promotions, and some leavers. Teaching costs were above budget due to long term maternity and sickness cover.

13.06 Following a question from the Chair the VP confirmed that the audit of the accounts had been completed by Grant Thornton and that no issues had been raised. He added that it was unlikely there would be any adjustments to the final audited accounts other than the FRS17 pension adjustments. Cash flow was reported to be healthy.

The Accounts were noted and recommended to the Corporation.

MANAGEMENT ACCOUNTS AUGUST

13.07 The Accounts for period 1 showed no significant variances.

The Committee accepted the Management Accounts as presented and recommended them to the full Corporation.

13.08 The Committee were informed that the Sixth Form Colleges' Association had recommended a 1% pay award at national level following support from Union members. Whilst no provision had been made in the budget for a pay award, the Corporation, acknowledging the position at the July 2013 meeting, had agreed to make an award of up to 1% a pay award should a national agreement be reached. The VP F&R and Principal stated that while this would result in an increase to the deficit by some £45,000 there would be greater problems with staff morale if a sector-wide increase were not adopted by the College after 2 years of pay freeze and a sub-1% rise (well below the school teachers' figure) the year before the freeze.

RESOLVED 13.08 To confirm the pay increase of up to 1% for teaching and support staff with effect from 1 September provided this is agreed at national level

FINANCIAL REGULATIONS

13.09 The Committee received a paper setting out proposals to include an additional section in the Financial Regulations in relation to the use of credit and debit card transactions. In order to comply with the Payment Card Industry Data Security Standard the College was required to amend its procedure accordingly. Details of the proposed changes were presented for consideration, together with a copy of the College's Credit Card Security policy. Governors raised questions with regard to the procedures currently in existence and agreed that it was appropriate to reduce the amount of cash handling in the College. Where necessary, discretion would be used to allow cash transactions where students were not in possession of a card. Discussion took place with regard to the potential for implementing a cashless system in the future.

RESOLVED 13.09 To recommend the Financial Regulations be amended to include Section 15 covering legal requirements under the PCI regulations.

HEALTH AND SAFETY ACTION PLAN 2013/14

13.10 The Committee received the Action plan which indicated that the recommendations made by the Fire Officer in June had been completed. The VP F&R confirmed that maintenance and repair works planned for the summer had also been fully completed.

The Report was noted and received.

STUDENT RECRUITMENT

13.11 The VP F&R presented the report which summarised enrolment for 2013 against forecast, together with an analysis of the financial implications of the shortfall. Numbers at October 21st i.e. the census date, showed 1484 (forecast) against a target of 1540. The Principal spoke of the reasons for the forecast shortfall. The Principal spoke of the reasons for the shortfall, which included reduced demographics, change in trends for certain subjects,

increased popularity in Apprenticeships, and competition from local schools. The shortfall related mainly to AS students and would impact on A2 recruitment in 2014/15 further reducing funding by around £185,000, representing a total potential shortfall over the two years of c£420,000. Governors recognised the significance of the financial implications and sought further information with regard to the College's marketing strategy to encourage take up in future.

- 13.12 A In terms of cost reductions, the VP F&R reported that staff had been made aware of the need to reduce costs and of the likelihood of a further cost saving exercise. Governors were mindful of the effect of further cost reductions on staff morale and of the Corporation's deliberations in this regard over recent years. Discussion took place regarding the breadth and quality of provision offered at the College, its potential and location, in comparison with other providers. The Chair commented that it was essential in a climate of a financial constraints to review the recruitment data in the context of the College's aims and objectives, and to balance achieving savings with maintaining the quality of provision. R Hill commented that as a member of staff she was well aware of the need to keep under review staffing and resources to meet the demands of a changing environment. The VP F&R advised that management would be exploring ways of responding to the financial constraints with a view to bringing a revised paper to the Committee at the next meeting. In terms of maximising time for the process, the necessity for an additional Corporation meeting in January would be considered by the Chairman.

RESOLVED 13.12 That a further report outlining a cost saving plan be presented to the Committee at the next meeting.

ACCOMMODATION PROJECT UPDATE

- 13.13 The Committee received a report updating it on new projects. Installation of the new IT network/servers had been largely completed, with the old system retained as back up until the end of October. Installation of the new Wi-Fi had been delayed due to market supply. With regard to the 5 a side cages and new all-weather hockey pitch, Oakwood School site and Boston Castle Park field were being considered as potential locations. The VP F&R commented that the preference was for the latter, using some of the College's adjacent car parking space, as the area could be better managed and controlled. In respect of reclaiming VAT, the VP F&R was still making investigations and would provide an updated report to the next meeting.
- 13.14 The Committee were informed that support for the 14 year old Mitel telephone system would be withdrawn at the end of the year and that together with an increase in serious systems faults, it was proposed to replace the system. A provision of £50,000 had been made in the budget for 2013/14. The College had commissioned an independent Telecommunications consultant to look at options and costs for a system that would be reliable for at least 10 years, and a second quote had been obtained from Siemens for comparative purposes. Both systems were reliable but annual maintenance costs were significantly higher on the Siemens system. The consultant's report recommended an upgrade to the Mitel MiVoice 5000 costing around £31,000 inclusive of VAT. Whilst the level of expenditure did not require Corporation approval, Governors were invited to comment on the comparative costs and the proposal. Governors were informed that due to new technological developments the software would enable a far more advanced telephone system to be installed. Following consideration it was agreed that the College should accept the Mitel quotation.

ENERGY USAGE

13.15 The Committee received and noted the summary of total energy costs for the year.

LEGAL EXPENSES INSURANCE

13.16 The VP F&R explained that the College had had a legal expenses insurance policy in place for a number of years but had not made a claim against it until recently. A recent issue had highlighted some weaknesses and restrictions within the insurance policy that were summarised within the report for Governors' consideration. The restrictions conflicted with the Corporation's policy to use its own Solicitors for legal matters, limiting the choice of Solicitor the College could use for any potential legal disputes. In addition, the use of different Solicitors prevented an ongoing relationship developing on a particular issue, such as an employment matter, which comprised the majority of the College's legal issues.

13.17 Investigation had taken place to ascertain whether the College could use an alternative insurance company, and advice from Governor M Chaudhary had also been sought. The VP F&R stated that he was unable to make a recommendation at this stage due to the uncertainty over the level of risks involved. The VP F&R commented that employment law had changed in July in relation to ET claims and that this presented a lesser risk to some degree. The Chair thanked the VP for the report and asked if the College could seek further independent advice in order to assist members reach an informed decision. Unfortunately Mr Chaudhary had been unable to attend the meeting to provide an update to the Committee and it was therefore agreed that his advice should be sought prior to a decision being taken at the next meeting.

RESOLVED 13.17 **That an update be provided to the next meeting when Mr Chaudhary was able to comment.**

OTHER BUSINESS

13.18 The Principal advised Governors that he had taken the decision to close the College to students on Tuesday 1 October as NUT and NASUWT were taking a day of strike action due to the dispute over pensions.

DATE AND TIME OF NEXT MEETING

13.19 The next meeting would be held on 2 December 2013 at 6.30 pm.

At the request of the Chairman, R Hill and D Barlow left the meeting.

End of Part I.

Signed *P Jagger MBE (Chair)*

Dated *2 December 2013*