



**HUDDERSFIELD NEW COLLEGE
FURTHER EDUCATION CORPORATION**

**MINUTES OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD AT THE OLD GOLF HOUSE HOTEL
ON MONDAY 22nd June 2009**

MINUTES

Present : Mr P Smelt, Mr T Auckland, Mr B Atkinson, Ms A Williams

In attendance : Ms J France, Mr A Shaw, Mrs H Smithson

Clerk Mrs C Coupland

1. APOLOGIES FOR ABSENCE

No apologies were received.

2. MINUTES OF THE MEETING HELD ON 27th April 2009

Resolved

That these be accepted as a correct record.

3. MATTERS ARISING:

The Committee were advised that ratification of the Clerk appointment is outstanding and will be addressed at the pending Corporation meeting on 01.07.09.

Mr Shaw acknowledged his comparative report on pension funds is outstanding, as outlined within previous minutes. To date the necessary information needed for this report is unavailable. Mr Shaw will readdress the Committee with the report once it is completed.

4. MANAGEMENT ACCOUNTS :10 MONTHS to 31st May 2009.

A budget of £28,000 has been set aside for quality issues as identified under the heading 'Other Costs '(page 3). Mr Shaw informed the committee that this budget intention was to improve quality of end results. The Principal explained that this budget allowed for surplus expenditure to formulate any necessary action plans to enhance poor performing areas if necessary.

Resolved

That the report be received

5. DRAFT FINANCIAL FORECAST 2009-12

A report detailing the draft financial forecast for 2009-12 was presented, incorporating the actual budget for 2009 / 2010 and forecast figures for the following 2 years.

Mr Shaw acknowledged that the commentary required by the LSC was outstanding. However he informed the Committee that the commentary once completed will include sensitivity analysis but will not affect figures as presented in the forecast. The Commentary and report is to be drawn up for the requirement of LSC and will be ready for the Corporation meeting on 01.07.09.

The proposed resolution was to agree the financial health classification as 'outstanding' for the period of the forecast and to recommend the financial forecast for one year to 31st July 2010 for approval by the Corporation:

Income	£10,691,000
Expenditure:	£10,306,000
Surplus:	£385,000
Capital	£755,000

Resolved

That the report be received. The Committee also agreed with the financial Classifications and recommend approval of figures by the Corporation.

6. CAPITAL PROJECT

It is proposed to remodel part of the existing 1950's building to provide more appropriate administrative accommodation. The refurbishment will allow for the Senior Management Team to be accommodated together. The cost of the scheme is estimated to be £198,169.

Tender Reports have been requested for 30th June 2009 from:

- Headman Construction, Huddersfield
- STG, Castleford
- Triton, Huddersfield
- Waterhouse, Leeds
- Whitaker and Leach, Bradford
- Illingworth and Gregory, Huddersfield

The Clerk informed the Committee that her Father Mr Stephen Brook co-owns Building Cost Services (BCS), Huddersfield. BCS are recorded in the feasibility budget cost for the project and subject to professional fees. The Committee acknowledged registration of details.

Resolved:

That the report be received and that recommendation is made by the committee for the Corporation to approve the scheme up to a cost of £250,000 (Inc VAT and Fees).

7. FEES & CHARGES POLICY 2009-2010.

The policy indicated that very little has changed from last year. However Mr Shaw indicated proposal to increase transport fees by 2% to be charged at £200 per year (from £195) for an annual college bus pass. Charges for termly passes will remain the same at £75 for the autumn term, £70 for the spring term and £60 for the summer term. Committee supported proposal.

The Principal also advised the Committee that contact details outlined within section 4: Financial Hardship should read 'Assistant Principal for Student Support' rather than 'Vice Principal'.

Resolved:

That the report be received.

8. VAT APPEAL:

£200,000 is being sought as value added tax incurred through the Art Building. Mr Shaw has sought indicative quotes, through Bentley Jennison, for tax counsel opinion on the likelihood of success in any appeal. Bentley Jennison have provided quotes from the following Chambers:

- Pump Court Tax Chambers, London
- Broadway Tax Chambers, Leeds

It was brought to the Committee's attention that in addition to any counsel fees, Bentley Jennison have requested a fee (estimated region of £500 plus VAT) for instructing Counsel and preparing detailed submission.

Resolved:

That the report be received. The Committee also approved for Andrew Barlow of Broadway Tax Chambers to be approached to advise HNC on this matter. However, recommendation was given for Mr Shaw to request by letter for Bentley Jennison to waive fees in a goodwill gesture.

9. BANK DEPOSITS:

HNC have a further £400,000 in August 2009 to deposit. We currently have £300,000 deposited with HBOS/Lloyds until July 2009.

Quotations have been requested from HBOS/Lloyds, Allied Irish Bank, Barclays and Abbey/Santander.

Resolved:

Recommendation from committee is for Mr Shaw to deposit monies in any triple A rated bank in light of current financial climate.

10. STAFF EXPENSES POLICY – EFFECTIVE FROM 1st AUGUST 2009.

The Committee approved the Staff Expenses Policy.

Resolved:

That the report be received.

11. CATERING EQUIPMENT FINANCE:

The Committee was informed that the terms of appointment of the new catering company, Innovate, includes some capital spend on catering equipment which the College will finance. This will be repaid in instalments to the college by Innovate.

It was proposed to the Committee that the £60,000 spending be financed by lease purchase, with the payments timed to coincide with the repayment by Innovate. A quotation from Barclays Mercantile was presented.

Mr Smelt drew the Committees attention to the additional costs to be incurred to the college by means of possible purchase fees and document fees. The Committee agreed that all fees must be reimbursed by Innovate as full cost recovery is necessary.

Resolved:

That the report be received.

12. CATERING CONTRACT

The college has recently undergone a tendering process for provision of catering services. Innovate Services Ltd have been appointed and the draft contract was considered by the Committee.

A discussion was held with regards to the contents of the draft contract. It was noted that the following amendments were necessary:

- References to Local Authority need to be erased from the contract.
- The contract is currently determined as a Deed. This is to be amended.

The Committee agreed that once the content of the documents were amended as instructed above, the final draft should be overseen by a legal advisory team such as Eaton Smiths. The tender proposal could then be accepted.

Resolved:

That the report be received.

13. ANY OTHER BUSINESS

There was no further business

14. CONFIDENTIALITY

No items were determined as confidential.

15. DATE OF NEXT MEETING

Monday 5th October 2009 at 4.30pm