



**HUDDERSFIELD NEW COLLEGE
FURTHER EDUCATION CORPORATION**

**MINUTES OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD AT HUDDERSFIELD NEW COLLEGE
ON 5th OCTOBER 2009 at 4.30pm**

MINUTES

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

In attendance : Ms Z Shackleton, Mr A Shaw, Ms H Smithson

Clerk Mrs C Coupland

1. APOLOGIES FOR ABSENCE

No apologies were received.

2. MINUTES OF THE MEETING HELD ON 22nd JUNE 2009.

The following amendments were agreed:

- For all future Minutes to record location details for where the Committee meeting was held. The meeting on the 22nd June 2009 was held at The Old Golf House, Huddersfield.
- Section 5: Draft Financial Forecast 2009-12. To clarify in the final paragraph that the budget relates to the period of the forecast for one year only to 31st July 2010.
- Section 6: Capital Project. It was deemed unnecessary for the minutes to record that there was no conflict of interest with the Clerk's registration of family details at the last meeting. An amendment is to be made for the minutes to reflect this decision.

Resolved

- **That the minutes be accepted as a correct record, once amendments have been made.**

3. MATTERS ARISING:

- *Pension Funds:* Mr Shaw informed members that a note was included in the August Accounts Commentary (agenda item 5 page 1) with regards to the West Yorkshire Pension Fund (WYPF) Deficit. This note had previously been brought to the Chair's attention. Mr Shaw advised the members that the deficit in the Pension Scheme had increased from £1412K at July 2008 to £2188K at July 2009. The two biggest factors identified are the actual loss on the value of investments (£300k) with the current economic climate and the worsening factors placed on the liabilities of the scheme, in particular the

discount rate applied to them (£316k). It was noted by Mr Shaw that this deficit does not affect the Colleges' financial health as it is excluded from calculations. Mr Shaw has merely drawn attention to this for financial awareness. It was however determined by members as necessary to continue to look out for vacancies on the Pensions Trustees Board. Furthermore it was deemed beneficial for members of the College or of the Corporation to attend the Pension Fund Annual General Meeting to aid consideration of future appointment in funding provisions given that WYPF apply prudent factors.

Resolved:

- **Mr Shaw to monitor dates for future Pension Fund Annual General Meetings and advise the Corporation accordingly.**

- *Catering equipment:* Members were advised that HNC paid for the catering equipment by cash rather than to borrow the monies and incur interest of approximately £7,000. This decision was made by Mr Shaw, Ms Williams and Mr Smelt.

- *Catering contract:* Mr Smelt advised the Committee that the Catering Contract has been amended but the revised version has not yet been made available.

Resolved:

- **For Mr Shaw and Mr Smelt to read through the redrafted version, once available.**
- **For the Contract to be brought to the attention of the Committee only if the revised version is also deemed inadequate.**

4. MANAGEMENT ACCOUNTS: 12 Months to 31st July 2009.

The Year End Management Accounts were considered. Mr Shaw advised the Committee that the audited accounts will be made available at a future meeting. The Committee would also like to congratulate HNC for the improved retention figures and success rate. Mr Shaw informed members that the increase in student learners may result in an additional £55,000 per 1% for 2010 – 2011. This figure is based upon the assumption of the same financial methodology. Members agreed that this was a good result for HNC.

Resolved

- **That the report be received**
- **For the Audited Accounts to be made available at a future meeting.**

5. LATEST MANagements ACCOUNTS: 1 Month to 31st August 2009.

The latest management accounts were reviewed. Mr Shaw drew member's attention to the underlying cash position for the college, which was £56K higher than forecasted in June 2009.

Resolved

- **That the report be received.**

6. UPDATE ON CAPITAL PROJECT

Admin Corridor Refurbishment:

At the Corporation meeting held in July 2009, it was agreed to appoint any one of the 6 lead contractors for the project, if the project cost came within £250,000.

Tenders from the 6 contractors were opened on 30th June 2009. Following a second stage for the three lowest tenders, Illingworth and Gregory were appointed. A contingency budget of £10,000 was included in the total cost of £249,996.93.

The Project was to start on 10th July with a targeted 8 week programme with a completion date of 4th September. This was a very tight programme and did not allow for any major unforeseen delays. Unfortunately, early into the programme asbestos was found in the ducting underneath the library area where existing pipe work feeding the refurbished area passed. This path was not to be re-used, but the existing pipe work had to be removed to avoid any potential leakage of asbestos or build up of legionella in dis-used pipes. This work delayed the project by 2 weeks and was completed by Rhodar, a specialist asbestos removal firm.

Rhodar was appointed following several quotes, with the total cost being £25,591.

The project was completed on 14th September 2009 with staff moved in and working by 21st September. The final cost of the scheme excluding the asbestos was estimated as £240,255.

Members aired concerns with regards to the finding of asbestos. The Committee was advised by Mr Auckland that assumptions must not be made that there is no more remaining asbestos, especially for buildings built pre 2000. It was therefore deemed beneficial for a further asbestos survey to be undertaken in case of the possibility of other pockets of asbestos being found within the framework of the old building, which was first opened in 1957. It was also deemed prudent to review the findings of the last General Conditions Survey which was undertaken in 2002.

Mr Auckland also reminded the Committee that the College has the responsibility for all contractors intending to undertake work which affects the fabric of the building and to protect employees and students whilst these works are being undertaken. It is essential that all asbestos surveys and registers must be administered to the contractors before commencing work and that the following checks have taken place prior to any work taking place:

- For a Type 2 Asbestos Survey to be made available for all areas built before the year 2000 and brought to the attention of all contractors intending to work on site.
- For all contractors to read the asbestos documents and sign confirmation that they have done so for the Colleges' records.
- For an escalation procedure to be in place if suspected asbestos damage is found which will include cordoning off the area of damage and preventing access pending action to rectify.

- In the event that suspected asbestos that is not recorded on the asbestos register is found, work must stop and an inspection, with sampling as necessary, be organised by the College with a review of how the work can be done safely following the inspection results and what, if any, remedial action needs to be undertaken.

Resolved:

- **That the report be received**
- **For Mr Shaw to liaise with Mr Cole (HNC Health & Safety Officer) with regards to the need for the asbestos survey.**

7. UPDATE ON VAT ISSUE

It was agreed at the last meeting that HNC was to use the services of Richard Barlow in order to seek tax counsel opinion on whether VAT may be due for payment on the Art Building completed in August 2007.

Members endorsed the advice received from Richard Barlow and Bentley Jennison which is for HNC to wait and see if HMRC take any action and then appeal if they do. It was also agreed necessary for Mr Shaw to seek advice from the auditors as to how best to incorporate the figures into the college accounts due to the uncertainty on financial technicalities.

Resolved:

- **That the report be received.**

8. REVIEW OF TERMS OF REFERENCE

The current terms of reference were reviewed and it was agreed necessary to place more emphasis on personnel issues. The Human Resources Manager intends for the College to be consistent and fair in how it attracts the widest pool of candidates for posts within the boundaries of the ever changing legislation.

Members acknowledged that there used to be an employment committee and that it would be beneficial to seek out the previous terms of reference. Ms Williams was of the view that it is sensible to assign human resources issues to this Committee however if it becomes too demanding for the agenda it may be necessary to reinstate a separate personnel committee.

Suggestions were made by the members and the following additional terms were agreed and are to be recommended to the Corporation:

- To advise the Corporation on the selection and appointment policy for staff and on all matters relating to the Conditions of Service for all employees of the Corporation.
- To advise the Corporation on the policies and procedures for employment, discipline and grievance for all staff, other than for Senior Post holders.

Furthermore, members agreed it necessary to revise the agenda layout for future meetings. The following sub-headings were agreed:

- Finance
- Estates
- Human Resources
- Health & Safety

Resolved:

- **For all Personnel policies and Human Resources issues to be brought to the attention of the Committee.**
- **To recommend the revised terms of reference to the Corporation.**
- **To implement the revised layout of the agenda for future meetings.**

9. ANY OTHER BUSINESS

Schools for the future (confidential item)

10. CONFIDENTIALITY

It was deemed necessary for the following documents to remain confidential:

- The tender reports and Quantity Surveyors reports relating to the Capital Project.
- The advice received pertaining to the outstanding VAT matter.
- All paperwork relating to 'Building Schools for the Future'.

11. DATE OF NEXT MEETING:

The next Committee meeting will take place at 12.30pm on 30th November 2009 at Huddersfield New College.

***Please note that Committee Meetings will now take place in the new Board Room in the Senior Management Suite.**