

**KENSINGTON & CHELSEA COLLEGE**  
**Finance & General Purposes Committee**  
**26<sup>th</sup> January 2011**

**MEMBERS PRESENT:** Sheila Porritt (Chair)  
Mike Jutsum (Chief Executive)  
Alicia Holiday

**IN ATTENDANCE:** John Fowl (Clerk to the Corporation)  
Richard Lane (Director of Resources)  
Nigel Garrigan (item FGP10/22 only)  
Alan Edwards

**FGP 10/19 Apologies for Absence.**

Apologies for absence were received from Margaret Butler, Tunde Banjoko and Andrew Lamont.

**FGP 10/20 Declaration of Interest.**

There were no declarations.

**FGP 10/21 To Approve the Minutes of the Meeting held on 1<sup>st</sup> December 2010.**

The Minutes were approved.

**FGP 10/22 Matters Arising.**

There were no matters arising.

**FGP 10/23 To Receive the Annual Report on Health & Safety.**

Nigel Garrigan reported on the work of the Health & Safety Committee during the year and it was noted that staff were being offered on-line training for H&S regarding Fire Regulations.

Good progress had been made to raise awareness of H&S in the prisons and at the other college centres at Maxilla Walk, Marlborough Centre and Wornington.

Efforts were being made to keep the Hortensia building compliant and safe pending the move into the new building.

Accident statistics for the period April to October were reviewed and members noted that the number was insignificant when compared to the number of students and staff at the College. There had been 2 HSE notifiable accidents in the year.

Governors were pleased to see the reduction in the number of acts of violence.

It was **Resolved** that the Report be Received.

**FGP 10/24 Principals Report.**

Members were provided with details of the financial position and quality ratings of each of the neighbouring colleges. [Copies are available from the Clerk should other Governors wish to see this document].

The impact of the various funding reductions e.g. EMA's, was noted. The loss of EMA's was expected to impact adversely on enrolment numbers through reduced travel but the extent to which this will occur is still unclear.

It was agreed that this part of the discussion should remain as a confidential minute.

It was **Resolved** that the Report be Received.

**FGP 10/25 To Consider the OLASS Report..**

Members were told that there will be no 'holdback' of funds for 2010-11 but the basis for measuring Success Rates in the Prisons has still to be confirmed.

As part of the discussion with the SFA on OLASS funding the college had been required to spend £75,000 towards a Virtual Campus in the prisons as part of the settlement for the funding in 2009-10. This had the affect of increasing the reported deficit for that year to £116,000.

The letter from Verity Bullough replying to the letter sent by the Principal was noted.

The funding for Isis had now been received and a bid had been put in for the contract at Belmarsh West. The number of prisoners at Isis was increasing and the prison will be at full capacity by April 2011.

Governors were told that the Prison Review had yet to be published and this was making it difficult to predict funding for next year. OLASS delivery hours are above target.

Community Projects were being hampered by the poor referral rate from the Probation Service, in achieving targets.

Members were informed that David Asker had received the MBE in the New Years Honours List and the Clerk was asked to write to him to offer the congratulations of the Board.

It was **Resolved** that the Report be Received.

**FGP 10/26 To Consider the Management Accounts, Financial Update 2010-11and to Approve the Fee Structure for 2011-12.**

a)Annual Accounts

Now that the OLASS matter had been resolved the Annual Accounts are able to be signed off. The Board at the meeting on 15<sup>th</sup> December 2010 had authorised the Chair to sign the Accounts once they had been finalised. Due to the settlement agreed for the OLASS debate the deficit was now shown as £116,000.

It was **Resolved** that the Chair should sign the Annual Accounts for forwarding to the SFA.

b)The December Management Accounts were showing a significant variance due to the transfer of some programmes to the Qualification Curriculum Framework (QCF) The Principal confirmed that the enrolment of 16-18 year olds was below target but Adult income was expected to correct by the year end..

The College had overspent on some staff budgets to the sum of £200,000 but steps have been taken to reverse this.

It was **Resolved** that the Management Accounts be Received.

c)The Committee was asked to consider the Fee & Concession structure for 2011-12. The reasons for the proposed fee structure were outlined and Governors noted the potentially adverse impact on students that had been eligible for a concession in previous years but would be adversely affected by the restriction of fee remission to those (over age 24) in

receipt of active benefits (Job Seekers Allowance (JSA) and Employment Support Allowance ESA))

It was **Resolved** that the Governors approve the Fees and Concessions Policy for 2011-2012.

d)Richard Lane informed the Committee that due to the SFA ‘forgetting’ to make a payment to the College in the sum of £900,000 it had been necessary to make use of the overdraft facility. The SFA had now made the payment.

It was **Resolved** that the Governors note and Approve the use of the Overdraft Facility.

e)The Budget setting parameters and assumptions for 2011-12 were reviewed and noted.

It was **Resolved** that the Governors Approve the Budget Setting Parameters and Assumptions for the Budget 2011-12.

f) The Financial Management Control & Evaluation (FMCE) return had been submitted to the SFA by the deadline of 30<sup>th</sup> November 2010. On 19<sup>th</sup> January 2011 the SFA met with the College to discuss the difficult ILR funding audit in which the auditor found a small number of students where the supporting documentation was incomplete. As the College had over-recruited and the number of students was small no clawback of funding had been necessary. There was no suggestion that there had been a misappropriation of public funds. The College Internal Auditor had not given a qualified opinion, yet despite this the SFA, has directed the College to change the self assessed grade of ‘Good’ for Financial Controls to ‘Inadequate’. The SFA has also insisted that the College should carry out checks on the current years Student Data and to employ RSM Tenon to do this. The SFA will be issuing a ‘Notice to Improve’ but agreeing the college’s action plan. Governors were now told that the overall assessed grade on the FMCE was to be ‘Inadequate’. A full report will be presented to the Audit Committee on 16<sup>th</sup> Feb 2011.

It was **Resolved** that the Report be Received.

**FGP 10/27**    **Any Other Business**  
There was no other business.

**FGP 10/28**    **Date of Next Meeting**

The next scheduled meeting will take place on **4th May 2011**.

Signed.....  
(Chair)

Date. ....