

## Brooke House Sixth Form College

Minutes of a special meeting of the **F&GP Committee** held on 28 April 2011 at 1600hrs.

<b>Present</b>	Vivien Cutler	Sid Hughes (Chair)	Ken Warman (Principal)
<b>In Attendance</b>	Taiwo Adeshina (Finance Director)	Ralph Devereux (Clerk)	
<b>Apologies</b>	Sally Townsend		

### 27/10 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

The apology was accepted. No notice had been received of any member becoming ineligible to hold office; the meeting was quorate and no interest had been declared.

### 28/10 STAFFING BUDGET

- a. Background. Minute 20/10a had required that full details of all those staff not directly employed should be listed clearly to allow full analysis of such expenditure; this requirement had been supplemented by a memorandum from the Corporation Chairman to the Finance Director and the paper in reply had been previously circulated. The clear requirement for unambiguous details had arisen from long standing concern that agency staffing costs were too high and represented a strain on the budget. Concern reinforced by the subsequent revelation that a high proportion of those costs (c50%) had been expended on support staff; there had been parallel concerns that effort to reduce overspending in other areas, for example on catering and marketing appeared ineffective. This had emerged during consideration of general budgetary issues focussing on the budget for 2011/12 in the light of welcome indications that, because of the strong performance this year, mainstream income (SFA/YPLA) was to be increased and the consequent hope that, with careful provenance, a contingency could be established to ease the anticipated financial difficulties that would result from a cessation of transitional and an expected reduction in core funding. The concern over budget lines being overspent had prompted consideration of a special internal audit review, which had subsequently been shelved because of the costs.

Contracts. There had been assurance at the last meeting that all agency staff costs were included in the numbers presented and these were again considered alongside the circulated details. However during examination and explanation it emerged that these numbers did not include contractual commitments but only covered agency or self-employed staff, the reason was that the lettings post-dated budget setting and were not considered as cover; contracts included, marketing and HR services all with a high staff element. It was felt that these numbers, especially marketing, could provide the explanation for the apparent inexorable rise in some expenditure lines, for example marketing originally set at £120k but now standing at c£212k to date. The cost of the marketing contract was c£11.6k month, approaching £140kpa, and had been let, without tender, on advice from another college. The fee was well in excess of the Financial Regulation trigger requiring a full letting process, but the probity of avoiding this process had been discussed with the Internal Auditors who had agreed that it was acceptable; concern was expressed at the size of the fee which had not been visible to the committee or the corporation. It was explained that the company provided a comprehensive and sound service and that the fee was not considered excessive; it was unclear whether VAT was included, since the invoices did not contain any VAT details. As a matter of urgency the VAT status would be clarified. Other notable expenditure was on HR cover, a consultant provided the service at a cost of £600 per day including VAT (c£80k pa); the HR organisation was under review. A full review of suppliers was also planned, including the requirement for all contractors to sign a disclaimer that they were tax compliant.

- b. The staff cost transaction history was then considered and several issues were clarified, for example:

- (i) IT personnel worked varying hours and monthly payments would reflect this; and
  - (ii) 2 ex-student corporation members had been paid to assist with and advise the corporation "once off" on aspects of the enrolment process and had been paid (the clerk was aware and had agreed no conflict).
  - (iii) Curriculum staffing was a difficult area to plan absolutely but there appeared some slack especially surrounding the workshops issue and whether they provided as good value for money as was claimed. Questions were asked about whether or not registers and other details of these workshops were recorded as evidence of vfm. The balance between "front loading" of tuition was especially challenging but it was suggested that underutilisation of teaching hours might provide an alternative source of cover or for other in year staffing needs for which additional costs have been incurred eg revision classes.
- c. Further Information. It was agreed that, to clarify these issues, as a matter of urgency:
- (i) regarding appointment of the marketing service - the comments and agreement of the internal auditors would be provided for committee members; (**Action Finance Director/Clerk**) and
  - (ii) regarding staff expenditure - full details of all staff expenditure, whether employed, agency, contractual or casual would be listed in a clear and unambiguous table and provided for committee members and this pattern would be incorporated into all budgetary information. (**Action Finance Director**)
- a. **The information was received.**
  - b. **Internal Audit comments would be circulated.**
  - c. **Full staff costs expenditure would be disclosed.**

**29/10 URGENT BUSINESS**

There had been no urgent business agreed.

**30/10 DATE OF NEXT METING**

The next meeting would be held on 10 June 2011 at 0900.