

**BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE**

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES  
COMMITTEE HELD ON TUESDAY 13<sup>th</sup> MARCH 2007  
IN THE SPORTS CENTRE CAFÉ**

Present: Dominic Blythe, Peter Freeman, Howard Kidd (Chair) and Chris Thomson.

In Attendance: Anne Fielding Smith, Jutta Knapp, Louise Pennington

The Meeting was quorate.

	<b>ACTION</b>
<b>1. Apologies and Welcomes</b>	
Keith Murphy and Chris Wellings.  Non-attendance and no apologies received – Ben Franks.	
<b>2. a) Minutes of the Finance &amp; General Purposes Committee held on 21<sup>st</sup> November 2006</b>  The minutes were approved and signed by the Chair as a correct record of the meeting.  <b>b) Minutes of the Premise Group – 2<sup>nd</sup> March 2006, 3<sup>rd</sup> August 2006 and 5<sup>th</sup> October 2006</b>  The minutes were noted.	<b>FILE</b>
<b>3. Matters Arising</b>  Item 12 – Lettings Policy  CT advised that a Community Statement had been prepared by SMT and would be included in the Strategic Plan due to be presented to Corporation later this year.  Item 6) e) – Annual Report and Financial Statements as at 31/7/06  With regard to a query from PF concerning the Charitable Trusts, JHK confirmed that the financial regulations would be reviewed and amended as necessary and presented to the Summer Term meeting for recommendation to Corporation.	<b>CT</b>     <b>JHK</b>

#### 4. Funding 2007/08

JHK presented the paper to the Committee, the contents of which were noted and the following comments made:

- a) Page 17, heading "2005-2006 Funding Agreement" should read "2006-2007 Funding Agreement".
- b) Funding Agreement still awaited from LSC, but early indications are that they will offer to fund 1,655 students rather than 1,698 requested by BHASVIC and detailed in its CDP (which was agreed with the LSC), being growth of approximately 7%. Currently LSC is expected to offer funding iro average growth rate of 2.5% across the Sussex region. However the indication of 1,655 equates to an increase of approximately 4%.
- c) Should funding not materialise in full, BHASVIC will have 43 unfunded students.
- d) BHASVIC's capital project also depends upon student levels being at 1,698.
- e) In terms of income, the shortfall iro 43 students not being funded, is £119,000. Indications are that a surplus budget based on this shortfall, should BHASVIC wish to achieve its CDP target of 1,698 students, is unlikely to be achieved. However it was recognised that bearing in mind the capital plans and the CDP that it would be important to reach the 1,698 student target.
- f) Should the full funding request not be granted, then SMT will need to establish a staff forum, next term, to review ways in which to improve efficiency.
- g) Concern was expressed at the possibility of the College having a deficit budget, whilst also commencing a major capital project.
- h) It is assumed (as has been the case in the recent past), that although the LSC might not fund the additional students above 1,655 in 2007/08, they would do so for the following year.
- i) Should the College not achieve 1,698 student numbers, then indications are that this may be to the detriment of the capital project and have implications in respect of staff numbers.
- j) Three years' post-capital project, the LSC will want to see BHASVIC achieving a financial category A or a strong B.
- k) There is likely to be a surplus on this year's budget in the region of £140,000 which will help towards any following year deficit.

CT agreed that he would write to Michael Nix (LSC) in order to reiterate BHASVIC's funding needs to achieve the CDP target of 1,698 students.

**CT**

The Committee agreed to recommend to Corporation that the proposal to

<p>target 1,698 students for 2007/08 should remain as per the CDP, despite the fact that 43 students were likely to be unfunded.</p>	<p><b>HK</b></p>
<p><b>5. Results for the first Six Months</b></p> <p>JHK presented the paper to the Committee, the contents of which were noted.</p> <p>The main variances as detailed on page 26 were examined and in particular the significant increase in budget required iro supply staff covering sick leave, totalling £30,000. In contrast the IT position has improved by £30,000 carry over from last year's budget.</p> <p>With regard to the net current asset entry on page 24, Outline Balance Sheet, JHK agreed to confirm to HK the change in the figure from 31/7/06 to 31/1/07 (£5,018 compared to £5,594).</p>	<p><b>JHK</b></p>
<p><b>6. Capital Project</b></p> <p>JHK presented the paper to the Committee, the contents of which were noted and the following points made:</p> <ul style="list-style-type: none"> <li>a) As soon as the necessary information has been received from the LSC, the Committee will be presented with the funding requirement details and the cash flow details. It had been hoped that the information would be available from the LSC in order to submit the Application in Principal (AIP) to the LSC by 15<sup>th</sup> March 2007.</li> <li>b) The delay has been caused by the fact that the three stages of BHASVIC's project are due to be completed in excess of three years, whilst the current LSC funding profile is based upon 10% in year 1, 45% in year 2 and the balance in year 3. The LSC is reviewing the position and guidance is awaited. The Committee expressed its concern at the uncertainty, timeliness and lack of guidance from the LSC.</li> <li>c) The LSC has asked the College to prepare a 10 year financial forecast, so until the relevant guidance is available from them, this remains outstanding.</li> <li>d) Significant short term borrowings will be required whilst funding is awaited from the LSC owing to the basis of LSC payment, namely that funds will only be released upon receipt of paid invoice.</li> <li>e) JHK has held several initial discussions with various banks all of whom are keen to assist the College. Initial indications are that borrowing requirements could reach £6.25M.</li> <li>f) The approval of BHASVIC's AIP will be dependent upon the LSC's assessment of affordability.</li> <li>g) The Committee expressed concern at the uncertainty surrounding the guidance from the LSC. The Committee will need to be confident that the figures, particularly those regarding the repayments are accurate and realistic.</li> </ul>	

<p>h) It was noted that an additional F &amp; GP meeting would be needed as soon as guidance has been received from the LSC and the final AIP can be drafted for approval.</p>	
<p><b>7. Health and Safety Update</b></p> <p>The contents of the Report were noted by the Committee.</p>	
<p><b>8. Any Other Business</b></p> <p>There was no other business.</p>	
<p><b>9. Date of Next Meeting</b></p> <p><b>Tuesday 26<sup>th</sup> June 2007</b></p>	

**Louise Pennington  
Clerk to the Corporation**

**CHAIR..... DATE.....**