

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD ON TUESDAY 21st NOVEMBER 2006
IN THE SPORTS CENTRE CAFÉ**

Present: Dominic Blythe, Peter Freeman, Howard Kidd (Chair), Keith Murphy (Observer), Chris Thomson, Chris Wellings.

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

The Meeting was quorate.

	ACTION
1. Apologies and Welcomes	
The replacement Student Governor for Graham Wright, Ben Franks, sent his apologies. Ben Franks' appointment is subject to formal confirmation by the Corporation at its December 2006 meeting.	
2. a) Minutes of the Finance & General Purposes Committee held on 28th June 2006 The minutes were approved and signed by the Chair as a correct record of the meeting. b) Minutes of the Premise Group – 2nd March 2006, 3rd August 2006 and 5th October 2006 The minutes were noted.	FILE
3. Matters Arising There were no matters arising.	
4. Review of Terms of Reference (Finance and General Purposes Committee and Premises Group) a) Finance and General Purposes The recommendations from the Premises Group Minutes of 3 rd August 2006 were noted. It was resolved to recommend to Corporation that the second recommendation should not be included - namely to add a new sentence to	

<p>the Membership section - <i>One Member of the F & GP Committee will have building expertise.</i> However it was resolved that the second Premises Group recommendation, to add to Purpose 1) b) <i>“and to take advice from the Premises Group as appropriate”</i> should be recommended to Corporation for approval.</p> <p>b) Premises Group</p> <p>It was resolved that the Membership section should be amended as follows:</p> <p>In the first sentence, add after “the Principal” - <i>“and at least one other Member of F & GP Committee or co-optee of the Group with building expertise.</i></p> <p>The second recommendation of the Premises Group at its meeting on 3rd August 2006, was agreed, namely to add to Purpose – <i>“To deal with any other matters as delegated by the Corporation from time to time”.</i></p>	
<p>5. Revised Budget 2006-2007</p> <p>JHK presented the papers to the Committee and the following points were noted:</p> <ul style="list-style-type: none"> a) Each budgetary adjustment has been thoroughly reviewed by SMT, SPT and the individual budget holders concerned. b) The reasons for the adjustments, as detailed on page 19 of the papers, were noted, the most significant cost centre affected being the WBL (Work Based Learning) income (- £116,000) owing to a reduction in enrolments, over that originally forecast. The Committee noted that unlike other College courses, the LSC income arising from WBL is based on actual enrolment numbers, rather than the forecast figures. c) Historic cost surplus in the revised budget is £53,000, compared to £37,000 as agreed at Corporation in July 2006. <p>The revised budget was recommended to Corporation for approval.</p>	JHK/LEP
<p>6. Annual Report and Financial Statements for the year ended 31st July 2006</p> <p>JHK presented the papers to the Committee and the following points were noted:</p> <ul style="list-style-type: none"> a) Historic cost deficit (page 28 of the papers/page 3 of the accounts) is (£414,000) b) It was recorded that various minor amendments had been advised to JHK by Dominic Blythe (financial details) and by LEP (Statement of Corporate Governance), which will be included in the final version going to Corporation for approval. 	

<p>PF reported that he would also be passing some minor amendments to JHK for inclusion in the final version of the accounts.</p> <p>c) The contents of the Auditors' letter and Management Report – attached to and supporting the Annual Report and Financial Statements paper, were noted.</p> <p>d) Page 23, heading "Results", first paragraph, delete last three words "The SMT have". Also change second paragraph last few words relating to the cash balances ("but are still very strong") based on the fact that the target financial objective in respect of cash in hand days is a minimum of 25 days, whilst as at 31st July 2006, the actual position is 7 cash in hand days.</p> <p>e) The investment details given on page 66 of the papers were noted and in particular that the College had received gifted shares in two AIM listed companies in the year, which have a market value as at 31st July 2006 of £53,000. As one of the two investments has significantly decreased between 31st July and the preparation of the accounts, it was noted that the auditors had agreed that the value on preparation of the accounts, i.e. £32,000, should be the figure used in the final accounts. Before accepting the gifted shares from a parent, JHK had obtained audit and legal advice. There is a proviso that the College must hold the shares for 2 years, after which the College may dispose of the shares. The Committee also noted that the College had £11,000 within its restricted funds relating to a Charity connected with the College (Three Shields Trust) which has been held for some time. JHK confirmed that in due course she would be writing to the Charities Commission to request permission to realise this asset for the benefit of the College.</p> <p>Subject to the changes noted about, it was agreed that the Annual Report and Financial Statements should be recommended to Corporation for approval.</p>	<p>JHK</p> <p>JHK</p> <p>JHK/LEP</p>
<p>7. Reconciliation of 2005/06 Outturn to Budget</p> <p>JHK presented the paper to the Committee the contents of which were noted.</p> <p>It was confirmed that when the Capital project is underway, JHK will produce a separate capital budget, separate from the regular College budget, in order to monitor the position carefully over the project period.</p>	
<p>8. Results for the first Three Months</p> <p>JHK presented the paper to the Committee, the contents of which were noted. The following points were made:</p>	

- a) In respect of the 2006/07 year, to date there are no significant variances to report which would cause deviation from the predicted outturn. The figures within the revised budget have been incorporated into the Results for the First Three Months schedules.
- b) No provision has been made within the figures iro the capital bid. However as soon as final costings and funding have been resolved, a capital budget will be devised and corresponding adjustments will be made to the profit and loss account accordingly.
- c) There was some concern re the commitment by the College to meet the costs of preliminary capital project work (architects and other consultants etc), but that this would only be reimbursed to the College, if the capital project is approved by the LSC and funding forthcoming. It was noted that a grant would be payable by the LSC in respect of feasibility studies up to £100,000, but covering 50% of these costs only.

9. Capital Project Update

CT gave a verbal report on the latest position with regard to the capital project. He gave an assessment of the three parts of the project, namely the property, financial and education cases and made the following points:

- a) Property case – new Masterplan, circulated to Premises Group, SMT and available in Reception and on the College’s website. Neighbours have also been made aware of the plan via a recent meeting which received positive feedback but some concerns about parking. CT and the architect met with the local LSC and regional LSC property advisers too. The regional adviser showed some reservations about the cost of the project. The architect has also been asked to review the car parking arrangements.
- b) Financial case – The position regarding LSC funding remains unclear. However it is apparent from the work done by the LSC’s consultants, KPMG earlier this year on the local Colleges, that borrowing requirements set at 40% of turnover should be manageable. In order to achieve the NPV (net present value) of the project, as required by the LSC, the College will need to enrol an additional 240 students by 2008 and there are issues within the education case which may affect this.
- c) Education case – the main issue here is the need for an additional 240 students (120 of which must be NEET (Not in education, employment or training). In the short term the College is working with the Accord to resolve the student number issue to the satisfaction of each Accord College and the LSC. The main problem within the Accord is that each of the three College is moving at a different pace, with

<p>BHASVIC furthest ahead in the planning stage.</p> <p>d) It was noted that the Post-Project Review in respect of the last capital project (DDA works) was scheduled for 24th November 2006. A report from this will be given to the Premises Group in due course.</p> <p>At this point CW left the meeting.</p>	
<p>10. Bank Loan</p> <p>JHK presented the paper to the Committee which noted the facility letter and formal resolution prepared by the bank. It was agreed to recommend to Corporation that the letter be signed and the resolution passed, subject to various changes to the latter to be advised by LEP to JHK.</p>	<p>JHK/LEP</p>
<p>11. Update on Environment Action Plan</p> <p>The Committee noted the report presented by JHK and it was agreed that further work needed to be done to progress the work. The Committee was keen to see both staff and students becoming more active in this area.</p>	<p>JHK</p>
<p>12. Lettings Policy</p> <p>The policy was reviewed by the Committee and recommended to Corporation for approval.</p> <p>CT agreed to formulate a policy/community statement to reflect the College's relationships with the local community.</p>	<p>JHK/LEP</p> <p>CT</p>
<p>13. Health and Safety Policy</p> <p>The policy was reviewed and recommended to Corporation for approval.</p>	<p>JHK/LEP</p>
<p>14. Health and Safety Update</p> <p>The paper was noted by the Committee.</p>	
<p>15. Financial Memorandum</p> <p>The two agreements which form part of the financial memorandum were noted by the Committee. JHK confirmed that LSC WBL funding agreement was the latest version available but JHK agreed to liaise with MPB/PJR to confirm whether a further agreement would be forthcoming.</p>	<p>JHK</p>
<p>16. Overseas Travel</p> <p>The Committee noted that the Chair of Corporation and the Chair of F & GP had given consent to a teaching staff member attending a training course in</p>	

France. It was noted that costs of the course and the travel expenses would be covered by a grant. Corporation is required to give specific approval in line with the College's business procedures.	JHK
17. Any Other Business There was no other business.	
18. Date of Next Meeting Thursday 15 th March 2007	

**Louise Pennington
Clerk to the Corporation**

CHAIR..... DATE.....