

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD ON WEDNESDAY 16 JUNE 2010
IN THE SPORTS CENTRE CAFÉ**

Present: Kate Blenkinsop, Howard Kidd (Chair), Peter Freeman, Rod Mallinder, Jim Smithyes, Chris Thomson,.

In Attendance: Jutta Knapp, Anne Fielding Smith & Debbie Murray. Tom Wolfenden
Ellie Gillies,

The Meeting was quorate.

F&GP10/12 Apologies and Welcomes

The Chair welcomed Ellie Gillies and Tom Wolfenden to their first meeting

Apologies were received from Louise Pennington, Nick Hewlett and Sam Wolfe.

F&GP10/13 Minutes

Minutes of the Finance & General Purposes Committee held on 2 March 2010

The minutes were approved and signed by the Chair as a correct record.

F&GP10/14 Matters Arising

FE Sussex is still working with other Colleges on a procurement programme with Tim Strickland leading the group. It was decided to put utilities on hold at the moment due to the problems with colleges having different contracts. FE Sussex is also looking at joint procurement of P.C's, which again has proved difficult as it has not been easy to determine a common specification, but college's have agreed to share prices achieved.

F&GP10/15 Declaration of Interest

There were no declarations of interest.

F&GP10/06 Results for the first Nine Months (until 30/04/2010)

JHK presented the paper to the Committee, which was noted.

There is a predicted outturn of £101k surplus, against budget of £35k, with the variances being detailed on page 13, the most significant being loan interest not now payable. This is as a result of the budgeted borrowing of £1m not being required due to the capital support of £1.3m received from the LSC.

JHK explained that £1.3 million has been received in respect of fees incurred on the

proposed new build. as nearly all of the money spent has now been reimbursed. This has had a positive effect on the balance sheet, with net current assets and cash in the bank.

JHK explained the increase in creditors falling due after one year was due to the purchase of IT networking and switch gear by means of a 5 year finance lease.

The Chair praised the College for all the hard work gone into achieving these results, and noted that College is in a stronger financial position

The results for the first nine months were approved by the Committee and recommended to the Corporation. **ACTION: JHK/LEP**

F&GP10/17 Budget 2010-11

The budget for 2010-11 was presented to the Committee by JHK, who explained that an operating surplus of £142k was being proposed. This met the financial target of 1% of income.

The Committee reviewed the management summary, current year outturn, key elements and risks given in the report. It was noted that 16-18 funding is secure for 2011, however there is a small risk of clawback if the allocated numbers of 1,800 is not achieved. The risk is considered low, therefore no contingency has been allowed for in the budget, however it was noted that the staff costs includes a £50k contingency to ensure adequate teaching available, which will not be needed if the students do not materialise.

AFS explained the funding methodology, in particular the impact of the SLN (Student Learner Number) ratio, which has resulted in a reduction in our funding. Staff costs have been reduced, largely through the additional hour of teaching that all full time staff will be required to do, and the fact that a number of staff who are retiring this year are not being replaced. The number of teaching staff has reduced by 10. The Chair congratulated the College on the achievement of reducing the costs of staffing, although Jim Smithyes in a later email wanted it minuted that it has come at a cost with an adverse impact on staff morale.

Peter Freeman requested the reasons for the reduction in premises running costs and the increase in admin costs. JHK explained that premises running costs for 2009-10 included the one off installation costs of the new huts (see F&GP minutes of 24 June 2009), and the 2010-11 admin costs were greater primarily due to the costs of the IT operating lease and the SALIX energy efficiency loan. JHK confirmed that, as always, the budget had been scrutinised by SMT at a very detailed level, and all possible efficiencies had been made.

Salary inflation of 0.5% has been allowed, based on latest communication from the Sixth Form College's Forum, although negotiations are still ongoing. The Committee was asked to approve the final agreed pay increase if within the amount budgeted for.

The Committee resolved to recommend the Budget for 2010-11, as well as the proposed pay increase, to the Corporation for approval. **ACTION: JHK/LEP**

F&GP10/18 3 Year Financial Forecast 2010-13JHK presented the Financial Forecast to the Committee and the following points were recorded:

- Planning assumptions have in the past been issued by the LSC, however due to the emergency budget scheduled for June 22 no such assumptions have been issued by the YPLA. The College therefore had to make its own assumptions about future inflation.
- The forecast indicates a deficit for the two years 2011-12 and 2012-13. This is due in part to the inclusion of £200k planned maintenance in those two years. JHK confirmed, however, that when the budgets for those two years came to be set, SMT would ensure surplus budgets were set.

F&GP 10/19 Summer Estates Work

JHK presented the paper and summarised the main works required. It was noted that the significant area of work, being total refurbishment of the toilets and some urgent roof repairs to College House, would be financed from the additional capital support received from the LSC.

JHK also reported that an ATM machine is to be installed on the site.

The Committee resolved to recommend to the Corporation that the proposed works and methods of financing be approved. **ACTION: JHK/LEP**

F&GP10/20Health and Safety Update

JHK presented the report, the contents of which were noted by the Committee.

F&GP 10/21 Business Procedures

The main changes within the document, all of which were minor, were noted by the Committee as given in italics.

The Committee resolved to recommend to Corporation that the business procedures be approved. **ACTION: JHK/LEP**

F&GP 10/22 Committee Self-Assessment & Review of Terms of Reference

The Committee reviewed its performance over the last academic year and had the following comments to make, in response to the questions listed on the self-assessment form:

- It was thought that the committee members were sufficient and that the right balance of skills and experience were very good.
- The training needs of the committee were discussed. AFS suggested running a training session looking at Funding methodology & curriculum – it was decided that this would be the first section of the next meeting in the new academic term. The Committee also wanted to be kept informed on any changes in the financial world
- A good level of information is provided to Committee members and also onward to Corporation, so that well-informed decisions may be made.

- The number of Committee meetings is appropriate, and as has been the case in the past, when additional meetings are needed, these have been quickly arranged and well-attended.

Terms of reference – amendments to be made to remove any reference to Learning & Skills Centre (LSC) and change to Young Persons Learning Agenc (YPLA) it was also recommended that the Staff member have observer status removed.

ACTION: LEP/DAM

F&GP 10/23 Any Other Business

There was no other business.

F&GP10/24 Date of Next Meeting

To be advised

**Louise Pennington
Clerk to the Corporation**

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