

**BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE**

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES  
COMMITTEE HELD ON MONDAY 23<sup>rd</sup> NOVEMBER 2009  
IN THE SPORTS CENTRE CAFÉ**

Present: Kate Blenkinsop (Chair), Nigel Fisher, Peter Freeman, Rod Mallinder, Sam Rowe, Chris Thomson, Chris Wellings.

In Attendance: Jutta Knapp, Louise Pennington, Matt Ward (Student Governor).

The Meeting was quorate.

**F&GP09/28 Apologies and Welcomes**

Apologies were received from Howard Kidd and Sam Wolfe.

Rod Mallinder was welcomed to his first meeting.

**F&GP09/29 Minutes**

**Minutes of the Finance & General Purposes Committee held on 24<sup>th</sup> June 2009**

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

**F&GP09/30 Matters Arising**

F&GP09/19 – JHK advised that to date there were no further developments regarding loan arrangements in respect of the consultants' costs arising from the Capital Project, owing to the fact that the LSC were continuing to investigate whether to offer a contribution towards these costs to Colleges with a financial health category of "inadequate". An outcome is anticipated before the year end.

**F&GP09/31 Declaration of Interest**

There were no declarations of interest.

**F&GP09/32 Annual Report and Financial Statements for the year ending 31<sup>st</sup> July 2009**

The Annual Report and Financial Statements presented by Jutta Knapp, were considered by the Committee and the following points recorded:

- a) Audit Committee reviewed the Financial Statements and the External Audit Management Letter, examining any audit issues, at its meeting on 17<sup>th</sup> November. That Committee's recommendations have been incorporated into the latest version presented to F & GP Committee.
- b) Operating Surplus is £93,000 before the write off of the aborted capital project consultants' costs (budget indicated an operating surplus of approximately £35,000). Consultants' costs written off total £1.5M.
- c) Currently the LSC are investigating whether to contribute financially towards part of the consultants' costs for those Colleges which have been classified as having an "inadequate" financial health status. Colleges, including BHASVIC are likely to be advised of any financial contribution before the year end, the official deadline for

- signing off the accounts, with the proviso that the credit is included within the 31/7/09 Accounts.
- d) Once the position regarding additional LSC financial support has been resolved ( c above), the College will also be in a position to review its on-going overdraft/loan facilities with the bank. Jutta Knapp has continued to liaise with the College's bankers who have confirmed their continuing support. The External Auditors also confirmed at the Audit Committee last week (and see External Audit Management Letter attached to papers for information), that the College was a "going concern" in respect of the next 12 months.
  - e) Both External and Internal Auditors have been kept up to date with the College's financial position, discussions with the LSC and the bank.
  - f) The Financial Targets as given on page 8 of the papers, were noted and in particular Staff Costs as a percentage of income was discussed, in the light of the aim to achieve Sixth Form College benchmark by 2011-2012 – the College's percentage stands at 72.4% as at 31/7/09 (76% as at 31/7/08), whilst the benchmark is just below 70%.
  - g) A discussion was held regarding a proposal by the Audit Committee to include a note giving further explanation about the aborted capital project and the impact of this upon the College, including reference to comments made regarding Capital Projects in the recent Select Committee report. It was noted that reference had already been included within the section on Future Developments (page 15 of the papers, page 5 of the Financial Statements) and also within the section on financial targets on page 12 of the papers (page 2 of the financial statements). It was resolved that Peter Freeman would draft a suitable statement and pass this to Jutta Knapp for inclusion in the final version (Financial Position, Financial Results section on page 4 of the Accounts) to be submitted to Corporation. **ACTION: Peter Freeman/Jutta Knapp**
  - h) It was agreed that owing to the effect of the write off within the figures, it was not possible to compare the 31/7/09 and 31/7/08 historical cost position and that a comparable figure should be included for reference purposes. **ACTION: Jutta Knapp**
  - i) Page 1 of the accounts, page 11 of the papers – it was resolved that further explanation should be inserted regarding targets 1 and 2 – learner numbers and success rates, in order to avoid any confusion for the reader. **ACTION: Chris Thomson**
  - j) Page 1 of the Accounts, page 11 of the Papers, Legal Status – Peter Freeman suggested that a comment should be made regarding the invitation to Sixth Form Colleges to formally be designated as Sixth Form Colleges. It was resolved that as the Accounts reflect the period to 31/7/09, it would not be appropriate to include this here.
  - k) Page 32 of the papers/page 22 of the Accounts – following a query regarding the balance sheet valuation of tangible fixed assets, based upon depreciated replacement cost, Rod Mallinder queried whether it might be more appropriate to make use of open market valuations and it was noted that this point would be re-visited when the property strategy for the College was reviewed in due course.

Thanks were passed on to Jutta Knapp and her team for the work involved in producing the Report.

The Committee resolved to recommend the Annual Report and Financial Statements for the year to 31/7/09 to the Corporation for approval, with the proviso that should further monies be allocated by the LSC to partly offset the consultants' cost write off, adjustments will be made to the Financial Statements to reflect this, thereby improvement to the College's financial position for the year. **ACTION: Jutta Knapp**

**F&GP09/33 Reconciliation of 2008/2009 Outturn to Budget**

JHK presented the paper to the Committee which was noted.

- a) No significant variances given, between forecast historic cost surplus outturn and budget – page 78 of the papers.
- b) Forecast operating outturn – surplus of £93,000 (budgeted operating outturn – deficit of £133,000).
- c) The joint procurement of utility suppliers to the College was discussed, noting that at present the College compared prices within its Sussex peer group. Rod Mallinder recommended liaising with the University to obtain comparative figures and Jutta Knapp agreed to make enquires. **ACTION: Jutta Knapp**

### **F&GP09/34 Results for the First Three Months**

The Committee noted the Report presented by Jutta Knapp.

Regarding income from Apprenticeships, it was confirmed that currently there were only between 6 and 8 of these, arising from the Society Health and Development curriculum area.

It was noted from the figures, that the College appeared to be managing its budget tightly.

The long term impact of the effects of the aborted capital project was also recorded.

The Committee were advised that income from fee paying international students had decreased this year and that going forward, taking into account increased legislative requirements (Safeguarding) placed upon Colleges, that international students will not contribute any part of the College's 2010/2011 provision.

It was resolved to alter the variance for "pay as percentage of income" on page 82 of the papers, from "F" to "A" – adverse. **ACTION: Jutta Knapp.**

### **F&GP09/35 Financial Planning**

Chris Thomson gave an oral report to the Committee summarising the consultation process with staff regarding the future financial planning for the College and in particular the need to reduce further the Staff Pay costs as a percentage of income to achieve sixth form college benchmark by 2011-2012. He advised that a further consultation paper to staff would be issued next week.

### **F&GP09/36 Capital Position - Update**

Jutta Knapp introduced the paper regarding the Capital Position to the Committee, the contents of which were noted.

Following the transfer of Sixth Form College's from the LSC to the Local Authority with effect from April 2010, it has not yet been clarified where the future of capital funding for Sixth Form Colleges will lie.

Peter Freeman suggested that a Premises Group meeting should be scheduled in advance of the Spring Term F & GP Committee to discuss Capital/property strategy issues.

**ACTION: Jutta Knapp/Louise Pennington**

### **F&GP09/37 Environment Policy**

The Committee considered the updated Environment Policy, which has been reviewed by the Environment Group and the Inclusivity Team. Following a request from Peter Freeman, Jutta Knapp agreed to make reference to the Annual Report on Environment issues/action

plan to the Committee within item 4 Implementation. The Policy was recommended to Corporation for approval. **ACTION: Jutta Knapp/Louise Pennington**

**F&GP09/38 Update on Environment Issues**

The Committee noted the report and in response to a request from Peter Freeman, Jutta Knapp agreed to request the Environment Group to consider impact assessment per section of the policy and to confirm that reporting mechanisms are in place to ensure that the policy is implemented. **ACTION; Jutta Knapp.**

**F&GP09/39 Health and Safety Policy**

The Policy was reviewed by the Committee and it was resolved to recommend to Corporation that it be approved. **ACTION: Jutta Knapp/Louise Pennington**

**F&GP09/40 Health and Safety Update**

The contents of the report were noted by the Committee.

**F&GP09/41 Any Other Business**

There was no other business.

**F&GP09/42 Date of Next Meeting**

**2<sup>nd</sup> March 2010 at 6.00 p.m. in the Sports Centre Cafe**

**Louise Pennington  
Clerk to the Corporation**

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