

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

**MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES
COMMITTEE HELD ON TUESDAY 2nd MARCH 2010
IN THE SPORTS CENTRE CAFÉ**

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

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

The Meeting was quorate.

F&GP10/01 Apologies and Welcomes

Apologies were received from Kate Blenkinsop and Sam Wolfe.

Jim Smithyes was welcomed to his first meeting.

F&GP10/02 Minutes

Minutes of the Finance & General Purposes Committee held on 23rd November 2009

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

F&GP10/03 Matters Arising

Page 2 of the papers item F&GP09/32 Annual Report and Financial Statements for the year ending 31st July 2009 – Jutta Knapp confirmed that all the action points had been completed and advised that additional LSC monies (£300,000) had been received in respect of costs incurred arising from the aborted LSC Capital Programme.

Page 3 F&GP09/33 Reconciliation of 2008/2009 Outturn to Budget – Jutta Knapp advised that BHASVIC was working with other Colleges via FE Sussex, to organise a joint procurement programme in respect of utilities. A further update will be given at the next meeting. **ACTION: Jutta Knapp**

Page 3 Annual Report and Financial Statements – Jutta Knapp confirmed that the College had commissioned a Property conditions survey which was completed last week and currently this is being reviewed by SMT. Proposals will be brought to Governors in the Summer Term regarding the scheduling of on-going maintenance work together with a revised Property Strategy (via the Premises Group of the F & GP Committee).

F&GP10/04 Declaration of Interest

There were no declarations of interest.

F&GP10/05 Update on Annual Report and Financial Statements for the year ending 31st July 2009

Jutta Knapp confirmed that following the decision at Corporation in December 2009 to approve the Annual Report and Financial statements for the year until 31st July 2009, subject to the receipt of additional LSC monies in respect of additional funding to offset part of the Capital Project consultants' costs, an additional £300,000 had been received. The annual report and financial statements have now been signed by the Principal and Chair on behalf of the College, but following recommendation by the College's external auditors (RSM Tenon), it was decided not to include the additional funding in the accounts but to include this in the accounts to 31/7/10. The Committee endorsed this decision.

Furthermore it was noted that the College was discussing the on-going financial position of the College with the LSC, with the aim of seeking further funding in order for the College to be categorised with a satisfactory financial health - based on current figures, the College remains within the classification "inadequate". The results of the LSC's further analysis will be advised before the end of March.

Following a query from Peter Freeman, Jutta Knapp confirmed that Colleges had not yet been informed who will be the LA contact with regard to financial issues relating to Sixth Form Colleges, when the LSC is disbanded at the end of March.

F&GP10/06 Results for the first Sixth Months (until 31/1/2010)

Howard Kidd presented the paper to the Committee which was noted and the following key points were highlighted:

- a) Page 9 of the papers, predicted outturn 2009/2010 is (£11,000) compared to budget surplus of £35,000. Page 13 details the main variances within the budget which account for the predicted small deficit (Tuition fees (£19,000), interest received (£5,000) and apprentices costs (£22,000)).
- b) The figures have been produced with effect to 31/1/2010, so do not include the £300,000 additional funding received from the LSC.
- c) Page 12 - Cash flow - the Committee were reminded that any loan required in respect of the College's debt arising from the failed LSC Capital Programme, would have to be financed out the College's surpluses, notwithstanding the effect of inflation and taking into account the restraint on public sector funded in the near future.
- d) Circulating the cash flow statement to staff was discussed, following a suggestion by Anne Fielding Smith, but it was decided that on balance this might not be sufficiently clear without accompanying explanation and in fact SMT is releasing a further financial paper for staff shortly anyway.
- e) Page 11 – balance sheet - net current liabilities total (£567,000) which includes approximately £320,000 overdraft. Long term debt – (Creditors - amounts falling due after more than one year) – (£765,000).

The Committee discussed the remaining debt arising as a result of the aborted LSC Capital Programme and the College's on-going discussions via Chris Birt, LSC, with the aim of seeking further funding to improve the College's financial health. It was resolved that Chris Birt should be advised of the Governors concern and Jutta Knapp/Louise Pennington were asked to action this. **ACTION: Jutta Knapp/Louise Pennington**

F&GP10/07 Financial Memorandum

Jutta Knapp presented the paper to the Committee noting that Part I of the Financial Memorandum had been presented to F & GP Committee and Corporation for approval in the Autumn Term 2009. It is usual for both Parts I and Parts II to be presented to Governors at the same time in the Autumn Term, but this year, the LSC issue Part II later.

The Committee noted the contents of Part II which incorporated the arrangements with the funding council for 2009/2010.

With effect from 1st April 2010, the College's funding provider will change to the YPLA (Young Persons Learning Agency) and the wording within the Financial Memorandum will require change. Again the uncertainty regarding the management and operation of the changes remains, much to Managers and Governors' concerns.

F&GP10/08 Funding 2010/2011

The paper was introduced by Jutta Knapp and the Committee noted the provisional funding position for 2010-2011.

a) Aim for 1,738 students for 2010/11 based on 2009/2010 outturn and the LSC has allocated this plus 40 for cohort change ie. to 1,778. Subject to accommodation restrictions, the College will try to recruit the increased number of students. Should the additional 40 students not be achievable and bearing in mind this year that the funding council will recoup any funding not utilised as a result of the full student numbers being achieved, the College will create a contingency within the budget to allow for this proportion of the funding. The College has a very long waiting list for 2010/2011 so the student interest remains; the problem will continue to be one of managing the waiting lists in order to ensure that the maximum student numbers are achieved.

b) Jutta Knapp reported the details on page 39 regarding the changes in the SLN (student learner number) funding ratio, the average of which has reduced for 2010/2011 compared to 2009/2010 resulting in a lower income earning ability per student (£4,614 per student compared to £4,760 for the previous year). Anne Fielding Smith explained the particular need this year for the curriculum team to manage students' course enrolment to ensure that students are placed on the correct courses in terms of achievement and retention. Following a question from Rod Mallinder, Jutta Knapp confirmed that the College was utilising the College space to its maximum ability.

c) Chris Thomson reported on developments regarding the College's financial position since SMT's meeting with Peter Freeman and Howard Kidd in September 2009 at which the College's decision to monitor its finances in line with the Hutchinson report recommendations. He explained that it was no longer relevant to track the Hutchinson proposals and that the College was investigating further efficiencies which could be made – hence the issue of various financial reports to staff and associated consultations. It was noted that the College was proposing to increase contact time for teaching staff with effect from 1st September 2010 and that in this regard, discussions were underway with staff and the Unions. Notwithstanding this, the College continues to address issues raised in the Hutchinson Report but this has been combined with the need for further efficiencies to be developed owing to the relative reduction in funding for 2010/2011. Following a request from Howard

Kidd, Chris Thomson agreed to issue the latest staff costings with the draft minutes.
ACTION: Chris Thomson

F&GP10/09 Health and Safety Update

Jutta Knapp introduced the paper, the contents of which were noted by the Committee. Referring to the revisions to the College's property strategy, she explained that the College would be examining various areas for improved efficiency such as a review of lettings both during the week day evenings and the weekends. adult education provision and a strategy to encourage staff to switch off computers, lights, projectors etc, when leaving rooms. It was agreed that the outcome of discussions at the forthcoming CMT meeting regarding savings and efficiencies, should be brought to the next Committee. **ACTION: Jutta Knapp.**

F&GP 10/10 Any Other Business

There was no other business.

F&GP10/11 Date of Next Meeting

Wednesday 16th June 2010 at 6.00 p.m. in the Sports Centre Cafe

**Louise Pennington
Clerk to the Corporation**

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