

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

MINUTES OF THE MEETING OF THE FINANCE & GENERAL PURPOSES COMMITTEE HELD ON MONDAY 7th MARCH 2011 AT 18:00 IN THE SPORTS CENTRE CAFÉ

Present: Kate Blenkinsop, Peter Freeman, Ellie Gillies (observer); Howard Kidd; Rod Mallinder; Jim Smithyes; Chris Thomson

In attendance: Nick Hewlett (Student Governor), Anne Fielding Smith, Jutta Knapp and Louise Pennington

F&GP11/01 Apologies and Welcomes

None.

F&GP11/02 Minutes of the Meeting held on 18 November 2010

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

Minutes from the Premises Group 26th January 2011

The contents of the minutes were noted and reference regarding the Student Services Centre item below was made, and recording that the minutes would be going to Corporation for notification.

Jutta Knapp advised the Committee that the YPLA/LA had not yet given their consent to the borrowing facility in respect of the Student Services Centre financing.

F&GP11/03 Matters Arising

10/27 – minor works collaboration with Varndean – on-going. Investigate opportunities for generating energy supply savings via Council – to date no response from Council.

10/29 – graphic portrayal of financial performance – JHK/HK had investigated this analysis and recommended that variance analysis would be a more appropriate form of presentation in this instance.

Rod Mallinder referred to the last but one sentence in the second paragraph “The College should also know what its annual bill for maintenance was” and he explained that in fact he had suggested that “The College should also know what its annual plan for maintenance should be”. This will be included within item 11/09 below.

10/32 – Accommodation Strategy – Jutta Knapp advised the Committee that there would be no benefit to the College until any capital works take place. Rod Mallinder suggested using the AUDE Toolkit for a sustainable estate as it assists Colleges with their financial planning.

ACTION: Jutta Knapp

10/38 Treasury Management Policy outstanding action – Jutta Knapp agreed to liaise with Mike Bewlock (co-opted member of Audit Committee) who is employed at Brighton University regarding the College’s policy wording. **ACTION: Jutta Knapp**

10/39 – Update on environment issues – outstanding action – Jutta Knapp to follow up and refer to degree day tables in order to compare and benchmark temperate over the years, and thereby adjust fuel levels required for heating etc. **ACTION: Jutta Knapp**

10/40 – outstanding action – Jutta Knapp to contact University of Brighton and one of the larger waste contractors to determine whether more could be done by the College with regard to recycling. **ACTION: Jutta Knapp**

The Committee noted that all other actions within the minutes had been completed.

There were no declaration of interests.

F&GP11/04 Results for the First Sixth Months

Jutta Knapp presented the paper to the Committee and highlighted the following points:

- a) Page 12 Income and Expenditure Account, predicted outturn 2010/2011 (£257,000). The main variance has arisen from the Summer works (see below), the costs of which were less than budgeted.
- b) Page 16 Main Variances between forecast historic cost surplus outturn and budget and includes Premises maintenance (£430,000) – part of Summer Works (agreed July 2010) and funded from additional LSC income, lettings income less than expected (£25,000) and teaching staff contingency of £40,000 which is no longer needed. The Committee noted that an Intern from Brighton University completed a business plan on behalf of the College with the aim of increasing income and it is hoped that once implemented this will generate additional income for the College. With reference to lettings, Peter Freeman suggested that the College might wish to consider a model adopted by Brighton and Hove High School, whereby lettings are managed by an external organisation. Constraints upon lettings were also noted included restrictions on classroom lettings owing to the need to ensure IT equipment which is in almost all classrooms, remains secure.
- c) At this point Chris Thomson joined the meeting.
- d) Page 15 Cash flow forecasts – March 2011 – loan £667,000 received.

The Committee recommended the paper to Corporation for approval. **ACTION: Jutta Knapp/Louise Pennington**

F&GP11/05 Funding 2011-2012

The paper was introduced by Jutta Knapp and she confirmed that approximately 94% of income is received from the YPLA/SFA. The Committee noted that the College's plans to manage the YPLA funding cut would be reported in the next item. The new methodology for funding allocation detailed on page 18 of the papers were considered and in particular it was noted the effect of "Lagged Learner Numbers" being the number of learners at the College in the last 12 months. More specifically, referring to the table on page 19, it was noted that 2011/2012 indicative funding for 16-18 provision gives the College funding of £8,053,016 based on 1,756 Learner numbers, compared to the 2010-2011 funding agreement which has resulted in funding of £8,547,866 for 1,800 learner numbers. The latter monetary figure includes £231,188 in respect of ALS (Additional Learning Support). ALS for 2011/2012 remains unknown. The Committee noted that the funding allocation was based upon a model issued by the YPLA and that these figures and those within the next paper (Managing Cut in YPLA Funding, also based on a different YPLA model, could not be compared accurately. Clarification will only be apparent once the final YPLA allocations have been

announced. Regarding ALS, it is still not clear what criteria will be used by the YPLA to determine deprivation, although it is likely to be partly based upon students' postcode. In the light of this the Committee also noted that College's concern regarding the abolition of EMA (Educational Maintenance Allowance). Although the College will receive some ALS income, it will be passed on to students almost immediately, within the criteria established. The College's Students have received up to £600,000 in EMA awards and the ALS which partially replaces this will be significantly less in total. Following the abolition of EMA, the College is concerned mostly about students' curriculum choices, attendance etc, for those students who may not be highly motivated and have significant levels of parental support.

The College's allocation for 19+ students provided by the SFA is approximately 3% less than current year's funding.

F&GP11/06 Managing the cut in YPLA Funding

Chris Thomson advised the Committee that SMT's proposals in the paper had been presented to staff and prior to going to Corporation in April, would be discussed at each of the Corporation's Committees.

Page 26 identifies the scale of the YPLA 16-18 funding cuts, with and without the transitional protection promised by the YPLA.

Page 21 details the three phases proposed to manage the cuts. Phase 1 which will be completed by September 2011 and will identify savings in expenditure without compulsory changes to staff's terms and conditions. At the same time, plans to increase income will be taken forward. Phase 2 2011-2012 – during this period the bulk of the measures to reduce expenditure will be imposed, with compulsory changes to staff terms and conditions via a restructuring programme, taking effect by the end of this academic year (2011/2012). Phase 3 – 2012-2013, should measures imposed during the previous academic year be deemed insufficient, then reductions in pay rates are anticipated effective from 2013/2014.

Some of the College's plans were considered including the introduction of an 8 block timetable, which will allow more students to be recruited with effect from 2011/2012 academic year. However it was noted that owing to the nature of funding provision, growth in student numbers would not be funded for the 2011/2012 year, but would generate funding for the following academic year. Reductions in student programmes, tutorials and enrichment activities will also be introduced at some point over the next three academic years, together with other effects such as review of IT replacement, reduction in courses provided, transfer remuneration teacher work to support staff (lower pay), sharing support staff functions etc.

The Committee queried whether there were opportunities to provide shared tuition with other local Colleges/Sixth forms, but owing to the journey time between Colleges, this was thought unlikely to be practical. The Committee also wondered whether more could be done collaboratively in terms of procurement of services and Jutta Knapp confirmed that this was already under investigation (via FE Sussex).

F&GP11/07 Student Services Centre (refer to Premises minutes 26/1/11)

The Committee noted that the financing matter delegated to the Premises Group had been resolved and that the loan arrangement had been approved accordingly. The Committee noted that the decision would be reported to Corporation. Referring to item 11/02 it was noted that YPLA consent for the loan arrangement was awaited.

F&GP11/08 Update on progress with Property Strategy Recommendations from last Meeting

Jutta Knapp presented the report to Committee which summarises the progress made against the property strategy recommendations discussed at the last Finance & General Purposes Committee. The completely revised property strategy will be presented to the Summer Term's Committee in June. The four key recommendations were 1) review the location of current departments and support functions in relation to the present accommodation and identifying priorities in regard to which would move were further accommodation to be found under DO3 or DO4; 2) Estimating how much we could affordably raise as a bank loan to finance capital investment – cost indications and the rules surrounding these, have been included in the paper and any decision would have to be reflected in the budget; 3) Being prepared to move very quickly on the basis of work at 1) and 2) if and when funds were made available for capital work – the College has had a full conditions survey completed and an up to date planned maintenance programme (see below); 4) Pursuing partnership opportunities with neighbouring organisations for the use of extra space for College activities – the Committee discussed the agreement with St. Luke's Church for examination space.

F&GP11/09 Maintenance Programme

The Committee noted the planned maintenance programme and the full conditions survey document was circulated for information at the meeting. The total current cost of the programme is in excess of £1.7M and it is hoped that a large proportion of this will be financed from the Building Condition Improvement Fund (£57.4M available to sixth form colleges). However it was noted on page 102 that the figures exclude preliminary costs and overheads and taking this into account it was suggested that this was likely to take the final bill to in the region of £2.5M. Once the College receives advice of the proportion of the fund allocated to the College, it is intended that the maintenance programme will form part of the overall property strategy document and presented at the June Finance Committee meeting.

Following a query from Peter Freeman concerning the possibility of investing in alternative energy sources, Jutta Knapp agreed to follow this up. **ACTION: Jutta Knapp**

F&GP11/10 Review of Summer Works

The contents of the paper were noted and the College was commended for its tight control of the works which resulted in the actual cost being significantly less than the budgeted cost.

F&GP11/11 Health & Safety Update

The paper was noted by the Committee.

F&GP11/12 Any Other Business

Chris Thomson advised that along with Phil Frier and Phil Harland, Principals at City College and Varndean College respectively, he had met Lord Hill (Education Minister) organised by Caroline Lucas. He explained that the Principals advised Lord Hill that that they could add value to the process of funding cuts, by explaining the likely outcomes of some of these on Colleges.

F&GP11/13 Date of Next Meeting

Monday 20th June 2011

Chair.....

Date.....