

**Minutes of a Meeting of the
Finance & General Purposes Committee
held on Friday 1 July 2011
at 5.00 pm in Room C108**

Action

Dominic Lynch	Chair to 6.02 pm	Gill Turner	Foundation Member
Guy Adams	Foundation Member	John Rudge	Apologies
Principal	Apologies	Ann Helsby	Apologies
David Wood	Apologies	Jonathan Langdon	Member

In attendance:

Jane Scott	Clerk to the Corporation	Marc Webb	Director of Finance
Paul Dampier	Assistant Principal: Curriculum and Business Development	Carole Melia	Assistant Principal: Curriculum and Student Support

The meeting opened at 6.06 pm

PART 1: MEETING FORMALITIES**1. Apologies for Absence**

There were apologies for absence from the Principal, David Wood, Ann Helsby and John Rudge. The meeting was quorate throughout. The Assistant Principal: Curriculum and Student Support was in attendance for the item on Student Finance only.

2. Declaration of Financial Interest

There was a declaration of financial interest in respect of the item of business on Consideration of Appointment of Legal Advisers.

3. Minutes of the Meeting of the Finance and General Purposes Committee held on Monday 20 June 2011 FGP1011-7

The Minutes were agreed and signed subject to an amendment in FGP1011-7/II/1, to read '*Lloyds TSB Bank has confirmed the loan of £200k can be used for the six classroom project.*

Consideration of the Minutes of the Capital Planning Committee CAP1011-1 was deferred until the next meeting of the Capital Planning/FGP Committee on 18 July 2011.

4. Matters Arising

Reference FGP1011-7/II/4/Pat testing, the Committee noted its requirement for further information in respect of PAT testing of art equipment, with an expectation that 100% completion rates would be achieved by the time of the next meeting.

Reference FGP1011-7/II/8, the Chair of Corporation noted that arrangements are now in hand for a meeting with the Chair of Corporation of Somerset College.

There was a reminder that the Director of Finance has still to confirm the College position in respect of repayment of accrued student deposits.

PART 2: ISSUES FOR THE MEETING

1. Financial Update

Student Finance for 2011-12

Members received information about the arrangements in respect of the new bursary scheme which has replaced the former Education Maintenance Allowance (EMA). The College has made a number of provisional calculations in respect of students who will be entitled to assistance under the new scheme, and it is apparent that there may be significant hardship, particularly amongst lower sixth students. The strain on student financial support arrangements has been further compounded by the very recent news that Somerset County Council will make changes to the County Bus Pass scheme, and anticipates curtailing routes serving Wellington and the surrounding area. This action will have significant impact on students who intend to travel to the College from those areas. Members noted that the longer term implications of changes to the Buss Pass scheme/curtailment of bus routes may cause a fragmentation and ultimate collapse of the scheme, as well as impacting on funding for 2012-13. This would have significant risk management implications for the College.

Members agreed that they would make urgent representations to Somerset County Council in respect of the impending changes, trying to realise both a short and longer term remedy to the current debacle.

Action: The Corporation to contact Somerset County Council in respect of transport arrangements.

Forecast Income and Expenditure Outturn Position 2010-11

Indicative Budget for 2011-12

There had been no significant changes either to the outturn position in respect of 2010-11, or the indicative budget for 2011-12 since the last meeting of the Committee.

- The anticipated year-end surplus for 2010-11 is £183k
- Adult skills funding is now under one budget
- There is provision of £25k in respect of skills development
- Numbers in respect of higher education are positive for 2011-12
- It is anticipated that the numbers of international students will increase
- Enrichment/performance sport is being scaled down
- The Performance Football programme will cease
- Payroll savings are largely derived from the management restructuring, retirements and redundancies. National Insurance and incremental drift is included in the budget, as is small provision in respect of change to the Local Government Pension Scheme (LGPS) Contrary to earlier understanding, the public sector pay freeze is not mandatory in respect of sixth form colleges; a period of national collective bargaining is currently underway. It will be necessary for the College to develop a strategy in respect of pay arrangements for the forthcoming period, taking into account national negotiations and the current provision for payment of incremental drift.
- Essential maintenance work on the estate will be completed in 2010-11, reducing the burden on the Indicative Budget
- Support service costs have increased more than the level of inflation
- Teaching support costs have increased, largely due to Microsoft licensing fees
- Lloyds TSB Bank has confirmed the loan of £200k can be used towards the six classroom project
- Provision in respect of rises in utilities costs may be too conservative
- Prudence must be exercised in respect of capital spending. There is a requirement for a shelter for smokers

Dominic Lynch recommended the Indicative Income and Expenditure Budget for 2011-12 for approval by the Corporation, seconded by Jonathan Langdon and agreed *nem con*.

Risk Management Action Planning - Huish Business School

The Committee noted that risk management reporting in respect of Huish Business School would be in the format of a monthly narrative, with financial reporting through a monthly Business School summary at the time of management accounts.

2. Consideration of Tuition Fees for 2011-12

The Assistant Principal: Curriculum and Business and Professional Development reported on the market research carried out in respect of accountancy fees, and the College proposal to increase AAT fees. The College still maintains a very competitive position, and consideration will be given to the way in which the College markets its courses, ensuring that potential clients understand the excellent value which is being provided.

Dominic Lynch recommended the tuition fees for approval by the Corporation, seconded by Guy Adams, and agreed *nem con*.

3. Consideration of Appointment of Legal Advisers

The Committee noted the College proposal to retain the services of professional advisers in respect of human resources for an annual fee of £5,000. The College would continue to pay an insurance premium in the sum of £1500 to cover the cost of legal fees. The proposal would ensure that the College has access to unbiased legal advice in the event of any human resources issues.

As there was a declaration of financial interest in this item of business, further discussion towards reaching a recommendation to the Corporation was deferred until the next meeting of the Committee when there would be a quorum to agree the recommendation.

4. Review of Financial Regulations

Following the imminent retirement of the Vice Principal: Resources, there will be a necessity to amend the signatories required for cheques. It was agreed that the Principal and Director of Finance should be the primary signatories, with the five Assistant Principals all forming the 'B' category signatories. The Financial Regulations have also been amended to define the composition of the senior management team following the retirement of the Vice Principal: Resources.

Guy Adams recommended the Financial Regulations for approval by the Corporation, seconded by Jonathan Langdon and agreed *nem con*.

5. Consideration of a Draft Calendar of Meetings for 2011-12

The Committee noted the proposed schedule of meetings for both the Capital Planning Committee and the Finance and General Purposes Committee. The schedule provided regular opportunity for the monitoring of capital planning issues.

6. Any Other Business

There was no other business.

7. Date of Next Meeting

The date of the next meeting of the Capital Planning Committee and the Finance and General Purposes Committee was agreed as Monday 18 July 2011 at 4.00 pm.

The meeting closed at 6.23 pm.

The minutes were agreed and signed as a correct record

Chair.....

Date.....