

**Minutes of a Meeting of the
Finance & General Purposes Committee
held on Monday 20 June 2011
at 5.30 pm in Room C108**

Action

Dominic Lynch	Chair	Gill Turner	Foundation Member
Guy Adams	Apologies	John Rudge	Apologies
Principal	Ex Officio	Ann Helsby	Member
David Wood	Foundation Member	Jonathan Langdon	Member

In attendance:

Jane Scott	Clerk to the Corporation	Marc Webb	Director of Finance
Paul Dampier	Assistant Principal: Curriculum and Business Development	Tim Duffen	Vice Principal: Resources
Martyn Owen	Assistant Principal: Curriculum and Operations		

The meeting opened at 6.06 pm

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

There were apologies for absence from Guy Adams and John Rudge. The meeting was quorate throughout. The Vice Principal and Assistant Principal: Curriculum and Operations were present for the items on Health and Safety only.

2. Declaration of Financial Interest

There were no declarations of financial interest in the meeting.

3. Minutes of the Meeting of the Finance and General Purposes Committee held on Friday 6 May 2011

The Minutes were agreed and signed subject to some minor typographical amendments.

4. Matters Arising

Reference FGP1011-6/I/4, the Personnel Director has identified a legal firm which could be retained by the College for £5k per annum. The firm has a strong reputation within the sector. The College is currently investigating whether the £5k cost could be offset by a reduction in insurance premiums, currently £1500 in respect of HR legal services within the overall premium. The next meeting of the Committee will be advised of progress against securing HR legal services.

Action: Director of Finance/Personnel Director to advise Committee of progress

The Committee noted that the coming period could prove to be challenging in respect of industrial relations, and that retention of legal services would be a cost effective way of dealing with any issues arising.

Reference FGP1011-6/II/1, the Committee noted that the College will now automatically return the refundable element of the student deposit. Further investigation will be undertaken in respect of how to deal with the historic accumulation of non-refunded deposits.

PART 2: ISSUES FOR THE MEETING

1. Financial Update

In consideration of the business of the meeting, management accounts and indicative outturn position for 2010-11 were considered as part of the business of the indicative budget.

The College has received notification that it will be in receipt of £88k in respect of the new bursary scheme forming a replacement for the former system of Education Maintenance Allowance (EMA). Students progressing to A2 who have been in receipt of EMA will continue to receive £20 per week for the next year.

Of the £88k awarded to the College, it is anticipated that ten students will take up some £12k in respect of their independent living circumstances. There is provision within the allocation for £4,500 to administer the scheme. There is still no confirmation of the cost of the scholars' bus ticket, leaving considerable uncertainty about how travel costs will impact on the disbursement of bursary funds, and student numbers generally. Current applications to the College are at a comparable level with previous years, and at the normal conversion rate from application to registration would yield just over 1000 students for 2011-12. Any significant drop in student numbers will impact in 2012-13.

The meeting noted that the College must have in place a robust system to administer the new bursary scheme, drawing on the experience gained through administration of the Learner Support Fund.

Indicative Budget

The following points were noted:

- 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. College members of teaching trades unions will take part in strike action scheduled for 30 June 2011. It is anticipated that delivery of the College curriculum will be compromised; contingency arrangements are in place, with students being asked to either attend College or remotely access on-line learning resources. On-line learning provision will be further strengthened during the coming period to ensure that student learning is not compromised by any further periods of industrial action. Members noted that should industrial action continue into early 2012, that the examination process may be affected. Any adverse impact would be mitigated by the use of external invigilators. Members noted that 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.
- Lloyds TSB Bank has confirmed the loan of £200k can be used in respect of the six classroom capital project.
- Members noted that provision in respect of utilities should be reviewed as underlying increases in prices of gas and electricity could have greater impact than current budgetary provision

- In respect of proposed capital spending, prudence will need to be exercised. Members noted the requirement for a shelter for smokers.

In summary, the meeting noted the considerable uncertainties associated with the indicative income and expenditure budget, and the necessity for on-going review in the light of information received.

2. Consideration of Tuition Fees for 2011-12

In consideration of the information presented to the meeting, members were further advised that the College is intending to increase the fees of AAT courses to £850, £950 and £1050 in respect of levels 2, 3 and 4. This proposal was being made following market investigation. Members noted that it would be necessary to give further consideration to the overall College strategy associated with delivery of taught and on-line accountancy courses, particularly in the light of on-line provision by other local competitors. There was some concern that a significant percentage increase in cost could impact on up-take and class size, driving up overall costs.

Action: further clarification will be given to the 1 July meeting of the Committee in respect of fee strategy

3. Consideration of Business Associated with the Capital Project

In consideration of the business of the Capital Planning Committee, members had noted the requirement for the Terms of Reference of the Capital Planning Committee to be amended. The Director of Finance should be included as a member of the Committee, attending meetings by right. The Terms of Reference also need to include the provision for the Principal to attend meetings by invitation. Jonathan Langdon recommended the revised Terms of Reference for approval by the Corporation, seconded by Dominic Lynch, and agreed *nem con*.

4. Consideration of the Annual Health and Safety Report and Review of the Health and Safety Policy

In consideration of the Health and Safety Report, the following was noted in discussion:

- Members requested further analysis of College lettings in order to identify where/how there had been loss of income and whether there was any action to be taken to redress this situation. This was particularly relevant in respect of 'Miscellaneous Users'. Members noted the potential loss of income when driving awareness courses cease to operate.

Action: The next meeting of the Committee to be provided with further analysis of lettings income

- Savings achieved in respect of first aid training were a positive step
- In reporting the results of the fire extinguisher inspection, members requested that future reports indicate the total number of fire extinguishers and the overall percentage of non-conforming appliances
- PAT testing in respect of the Art Department was unacceptable, and the Committee would be advised at its next meeting of progress/action in this respect

Action: Meeting to be provided with updated PAT testing information at its next meeting

- The meeting noted the positive impact of College CCTV facilities in securing convictions in respect of thefts

The meeting noted that there had been little change to the Health and Safety Policy. Minor changes had been made to reflect the management restructuring and changes in job titles, with this impacting on how future health and safety training will be cascaded down through the College. It was agreed that the Policy should be subject to annual review. Dominic Lynch recommended the Health and Safety Report and the Health and Safety Policy for approval by the Corporation, seconded by David Wood and agreed *nem con*.

5. Review of Indemnity Insurance for Governors

The Director of Finance reported that the current level of indemnity cover for governors is £1m, with the policy renewable on 31 July 2011. The meeting was of a consensus that the level of indemnity cover was sufficient.

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

The Chairman noted the request for meetings of the Finance and General Purposes Committee and the Capital Planning Committee currently scheduled for Fridays to be changed to reflect the common pattern of Corporation/Committee meetings taking place on Mondays.

Action: the Clerk to the Corporation will present a revised calendar to the next meeting of the Committee

7. Consideration of the draft timetable for preparation of the Members' Report and Annual Financial Statements

Members noted that the timetable largely follows the previously tested format and schedule of previous timetables. Dominic Lynch recommended that the timetable be approved by the Corporation, seconded by David Wood, and agreed *nem con*.

8. Any Other Business

The Chair of the Committee noted his recent attendance at an Association of Colleges briefing session and some of the key highlights of information received:

- Colleges will be required to adopt a Code of Governance later in the year
- The Skills Funding Agency anticipate that Colleges will have to achieve 24% cuts in the period of the Comprehensive Spending Review, with 7% in 2012-13, and 8% in 2013-14
- There is significant pressure being brought to bear from government for colleges to seek new ways of working, particularly in respect of collaboration, joint ventures and mergers
- The minimum contract level at which colleges will be able to negotiate skills funding will be increased during the next period

The Chair of the Committee noted that the Chair of Corporation, Somerset College, had indicated his keen interest in dialogue with the Richard Huish College Corporation. The Principal noted that both he and the Principal of SCAT were giving consideration to how the two colleges could be mutually supportive.

Action: The Clerk to the Corporation will make arrangements for a meeting between the Chair, Somerset College and Richard Huish College

There was no other business.

9. The date of the next meeting is Friday 1 July at 5.00 pm.

The meeting closed at 7.39 pm.

The Minutes were agreed and signed

Chairman.....

Date.....