

**Minutes of a Meeting of the
Finance & General Purposes Committee
held on Monday 26 September 2011
at 5.30 pm in Room W108**

Action

Dominic Lynch	Chair	Gill Turner	Foundation Member
Guy Adams	Apologies	John Rudge	Apologies
Principal	<i>Ex officio</i>	Ann Helsby	Apologies
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	Martyn Owen	Assistant Principal: Curriculum and Operations

The meeting opened at 5.53 pm

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

There were apologies for absence from Guy Adams and Ann Helsby.

2. Minutes of the Meetings:

Capital Planning Committee CAP1112-1 held on Thursday 25 August 2011

Finance and General Purposes Committee FGP1112-1 held on Thursday 25 August 2011

The Minutes of the Capital Planning Committee CAP1112-1 were agreed and signed as a correct record subject to an amendment noting that it would be possible to continue the new build project without a parent company guarantee for the new build project.

The Minutes of the Finance and General Purposes Committee FGP1112-1 were agreed and signed as a correct record.

3. Matters Arising

Reference FGP1112-1/Part 1/3, the College has agreed an agenda for discussion with Somerset College which covers a broad range of current issues in the sector.

Reference FGP1112-1/Part2/2, the Director of Finance noted that investigation of 'sweep' options has indicated that the value of such a facility has diminished. Lloyds TSB has indicated that the College will receive a marginally preferential rate on its current account facility at a rate of 0.4%.

There were no other matters arising which are not dealt with under the agenda for the current meeting.

PART 2: ISSUES FOR THE MEETING**1. Business of the Capital Planning Committee**

The Committee formally noted the minutes of the previous meeting of the Capital Planning Committee, and the progress reports presented to the meeting immediately preceding the current meeting. There were no items for specific consideration by the Finance and General Purposes Committee at its current meeting.

2. Financial Update

The Principal noted that progress is being made towards completion of the revised Income and Expenditure budget for consideration at the next meeting of the Committee. Current enrolment to the College is 1877 students, against a requirement for 1838 students, with strong retention since the start of term.

Recruitment to Huish Business School is buoyant, with over-recruitment of ten students to AAT courses, CIMA on target, and ACCA falling below target. Recruitment of international students to ACCA courses is contingent upon ACCA provision.

Optimal recruitment to the Foundation degree which the College operates in partnership with the University of the West of England (UWE) has been compromised by lack of full understanding on the part of students about the location of the College in relation to UWE. It is hoped that dialogue between the partner institutions will eliminate further issues in this respect in order to achieve a strong core of full-time students.

The College has been in active dialogue with the Skills Funding Agency in order to progress discussion about funding in respect of apprenticeships. There should be increased funding for 16-18 apprenticeships, but with more caution in respect of 19-24 learners. 25+ learners will no longer be funded.

Applications to the new Bursary scheme are now closed, with a total of 241 applications received. Funds are being allocated according to the agreed scheme. There is currently no indication that there are students who are not attending College because of difficulties in purchasing the country bus ticket.

The Director of Finance is investigating a range of financial options associated with potential purchase of 5 King's Close.

The Somerset Principals' group will give its consideration to how any transport scheme will operate from 2012-13 onwards. The College is currently investigating aspects of the current scheme in order to inform discussion.

3. Management Accounts and Preparation of the Revised Income and Expenditure Budget

In respect of the financial year ended 31 July 2011, the operating surplus is £245k, with an adjusted surplus of £13k after deduction of £177k in respect of FRS17 and £55k restructuring costs. The operating surplus as a percentage of income has increased, as have cash days. There has been a reduction in debtors. There have been some contingent savings to payroll, achieved through non-utilisation of supply teaching in respect of Huish Business School. Electricity costs were £7k below forecast. Depreciation has increased by £28k, caused by a glitch in the automatic updating of the asset register in the previous year. Electricity contracts are due for renewal though the College's current consortium arrangement.

4. Work Towards the Members' Report and Annual Financial Statements for Year Ended 31 July 2011, including FRS17

Fieldwork associated with preparation of the annual financial statements is under way, with no adjustments indicated in respect of the overall surplus.

At a recent meeting about the current deficit in the Somerset County Council pension fund, it was noted that actuarial assumptions in respect of life expectancy have changed. This issue is currently under investigation. Members noted the potential impact of a 40% deficit going forward, with a requirement for contributions to significantly increase. There is potential significant impact on banking arrangements. Staffing changes will impact on the deficit. The Director of Finance will provide further additional information once it becomes available.

Action: Director of Finance to provide further updated information in relation to FRS17

5. Development Planning: Curriculum and Business Development

Members noted that provision in respect of Huish Business School included in the draft Development Plan will form the basis of risk management action planning in respect of key Huish Business School activity. During the current planning period, there will be particular emphasis on seeking additional and alternative sources of funding. The overarching sections of the Plan relate to Curriculum and Quality.

6. Any Other Business

Members noted the recent flow of information in relation to the Office for National Statistics move to make sixth form colleges public sector bodies. There are a number of significant implications surrounding the proposal, including the possibility that governors will become personally liable. Members requested further detailed analysis of the implications.

Action: Principal/Director of Finance to prepare paper setting out implications of de-regulation of colleges for next meeting of the Committee

There was no other business.

7. Date of Next Meeting

The date of the next meeting is 31 October 2011.

The meeting closed at 6.49 pm.

The Minutes were agreed and signed

Date.....

Chair.....