

**NOTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES  
COMMITTEE HELD ON WEDNESDAY 3 OCTOBER 2007  
IN THE COMMITTEE ROOM, BEDMINSTER CENTRE AT 6.30 PM**

**Present:** K Elliott, K Rendell (Chair) and M Timmins

**In Attendance:**

J Bentley	-	Director of Finance
R Thorold	-	Director of Resources & Estates (DoRE)
I Venn	-	Clerk to the Corporation
P Griffiths	-	Committee Services Officer

**1 DECLARATION OF INTEREST**

There were no declarations of interest pertaining to the Agenda.

**2 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Tom Bray and Stephen Hewitt, Governors. The meeting was not quorate.

**3 ELECTION OF CHAIR**

The Committee unanimously agreed that K Rendell be elected to the Chair for 2007/08.

**4 MINUTES OF MEETING HELD ON 4 JULY 2007**

These were agreed as a true record.

**5 MATTERS ARISING FROM THE MINUTES OF 4 JULY 2007**

**5.1 Minute 4.3 Debtors**

The Committee was informed that the College has initiated legal action against a Managing Agent for Work Based Learning (WBL) which owed £600k to the College. A response had not yet been received and the College was monitoring the situation.

**5.2 Minute 5 Planned Disposal of Downend and Folly Lane sites**

In response to a question by the Chair, the Director of Resources and Estates informed the Committee that Folly Lane was under offer and agents appointed by the College were considering a number of offers for the Downend site.

**6. FINANCIAL OUT-TURN 2006/07**

The Committee received the Management Accounts to 31 July 2007 noting the result showed a surplus of £956k. Members were advised that the surplus could be reduced if the College was unsuccessful in the collection of a debt detailed above (*Minute 5.1 above refers*).

Members noted that the current surplus was an improvement on that predicted in the mid year review (£120K) and the forecast made later in the year (£5k).

The Committee was advised that the variances related to:

- Fee income;
- Train to Gain income under target and an associated reduction in pay costs relating to the non-delivery of the contract;
- Curriculum and Business Support budget centres holding back non pay costs;
- Premises costs keeping within the overall target; and
- Provision for FRS17.

Members were pleased to note that during the year the College improved its monitoring and forecasting of staff costs, and that the management actions taken in-year delivered the savings required to avoid a deficit. In response to questions, it was noted that there was a potential impact on finances in future years as some of the savings in the support budgets has delayed the implementation of cost saving systems.

The Committee was further advised that the actuaries report relating to FRS17, which informs the College of the provisions required in respect of the funding requirement of the College's portion of the local government pension scheme, has been received. The provision amounted to £703k which was higher than predicted in the mid year review. Members recognised that the calculation is based on the market valuation of the underlying assets as at 31 July, and actuarial assumptions as set out by legislation, thereby making it difficult to accurately predict what the provision will be.

**The Committee received the report, noting that the College remains solvent and able to meet its liabilities as they fall due.**

## 7. REPORTS

### 7.1 Indicative Financial Implications Of Enrolment 2007/08

The Principal reported that provisional student enrolment data indicated that that the College will meet the LSC target for full-time 16-18 year olds. The data relating to adult students was being analysed and the College would be making every effort to reach its target.

Members further noted that WBL enrolment was on target and Higher Education (HE) enrolment would be the subject of a future report owing to the later enrolment date for these students.

**The Committee received the report.**

### 7.2 Annual Report on College Companies And Joint Ventures

The Director of Finance presented a report that set out the results for 2006/07 from the draft financial statements of the College's two subsidiary companies.

These were:

- Partners in Business (West) Ltd, surplus of ££935 (before tax) after making a gift aid payment to the College of £7,092. The Balance Sheet showed total Assets less Current Liabilities of £39,968.
- SBLN, loss of £297. The Company is now dormant but incurred audit fees and bank charges. The Balance Sheet shows a deficit of £162,205 which reflects a loan by the College to underwrite a debt from previous years.

The Committee further noted the following joint ventures:

- Filton College - Centre of Vocational Excellence (CoVE) in Aeronautical Engineering had £13,521.65 brought forward on the balance sheet. £2,257.50 of costs have been applied to the profit and loss account with an equal release of funds to match. The balance on this fund to be carried forward into 2007/08 is £11,264.15.
- Weston College – CoVE in Hospitality and Catering. At 31 July 2007 the College is holding £210,000 of capital funds due Weston College. Weston College have not yet applied for reimbursement as they intend to claim these funds when expenditure is incurred. In addition, there are other Hospitality CoVE funds remaining of £105,420 after capital expenditure during 2006/07.
- Newcastle Aviation Academy (NAA) – ‘partnership’ with Kingston University and Newcastle College. Total income from the NAA in 2006/07 was £407,487 before income apportionment of £142,620. Total costs for the year were £240,362 and the overall contribution to the College was £24,505.

**The Committee received the report and agreed to recommend it to the Main Board.**

**Action: Director of Finance**

### **7.3 Financial Implications of Pay Award 2006/07**

The Principal updated the Committee on the 2006/07 pay award and Members noted that the overall award of 2.5% had been implemented.

### **7.4 Draft Annual Report of the Committee 2006/07**

Members considered a draft of the Committee's annual report to the Board, together with supporting papers.

The Committee assessed its overall performance as 'Good' and **agreed to submit the report to the Board with the recommendation that its terms of reference and standing orders be amended as follows:**

- **Composition – 6 or 7 members;**
- **Quorum – 3 members; and**
- **to remove advice on ‘employment policies’ from the terms of reference.**

The proposed change in Membership and Quorum would bring its terms of reference into line with those of other Committees.

**Action: Clerk**

## **7.5 Bi-annual Report on Capital Budget Monitoring**

The Director of Finance presented a report which outlined the cash and capital movements for the two years ending 31 July 2006 and 2007, together with capital budgets for 2007/08.

Members were reminded that the College had entered into a borrowing arrangement to enable the accelerated completion of Ashley Down and Soundwell. The detailed cash flow forecasts showed that this borrowing will be finally repaid by the end of the current financial year 2007/08.

Members were further reminded that during the course of the year they had received reports which identified that the College may need to extend the terms of the revolving credit facility. The analysis of capital cash flow showed that this action was required.

The Committee noted that separate loan arrangements will be negotiated for the South Bristol Skills Academy.

**Members received the report and recommend that the Board approve:**

- **an extension of the revolving credit facility; and**
- **the core College Capital Expenditure Budget totalling £2,395k.**

**Action: Clerk**

## **8. CAPITAL PROJECTS REPORT**

The Director of Resources and Estates presented a progress report on Capital developments.

### Hartcliffe Development

- the Building Schools for the Future scheme at Hartcliffe has commenced and is scheduled to be complete and ready for opening in January 2009.
- a business case for the new Vocational building, which includes total running costs as well as the costs associated with curriculum provision, is being developed; and
- as part of the business case, discussions are taking place with the Education Department of Bristol City Council (BCC) regarding potential income streams relating to the curriculum provision at the site.

### South Bristol Skills Academy (SBSA)

- the application for support and Approval in Principle (AIP) for the SBSA was submitted to the Local learning and Skills Council (LLSC) in early September and approved by the Local LSC Committee on 13 September 2007;
- the application and the LLSC approval and endorsement will be considered by the National Capital Committee of the LSC on 11 October 2007 for AIP at the contribution rate recommended locally;

- discussions are complete with BCC regarding the purchase of zone 9 at the Hengrove Park development and the Heads of Terms are with College solicitors for consideration;
- the BCC master plan for the site will be submitted for planning approval on 26 October 2007 and should be determined at Planning Committee in February 2008;
- the College will submit its detailed application for planning approval on 29 October 2007 and determination will also be at the February Planning Committee meeting; and
- the project team has been heavily involved in the preparation of the master plan and has met planning officers on a number of occasions. Indications are that the College's detailed planning application will be favourably received and recommended by the officers when determined by the Committee.

#### Lawrence Weston

- the Property Section of BCC is applying pressure for the College either to complete the purchase of the areas agreed or to agree to a joint sale of the site; and
- The College is currently reviewing its options regarding the purchase of the site and its curriculum delivery in the Lawrence Weston area of Bristol. This has been delayed because of extended discussions about possible College provision at Portway School.

#### Folly Lane

- relocation from Folly Lane to the Bedminster Centre was completed during the summer and a contract for sale of the premises (approximately £750,000) has been agreed. Completion of the contract is imminent.

#### Disability Discrimination Act (DDA) Works

- work on LSC funded DDA work across the College is now complete and the final claim is currently being prepared for submission to the LSC.

#### Catering contract

- signing of the catering contract with Aramark has been delayed, although they are currently operating the service on a managed service arrangement;
- the delay has been due to the length of time that it has taken Actuaries to produce a report for the Avon Pension Fund relating to the transfer of the pension rights of the staff to be transferred under the TUPE regulations.
- This information has now been received and it is anticipated that the College and Aramark will be able to sign the contract within the next week .

#### Health & Safety

- the Director of Resources and Estates has given a College statement to the HSE inspectors regarding the incident at Folly Lane which took place in May 2006;
- the HSE are still preparing their overall report and recommendations on this incident; and
- the College is also still awaiting the HSE report and recommendations regarding the Barton Hill incident.

**The Committee received the report.**

## 9. CREDIT CARD PROVIDERS

The Director of Finance informed the Committee that the College used a company (Streamline) for any credit/debit card transactions made to the College, for example when students paid fees. The College now wished to use a different company which would reduce costs to the College.

**The Committee, having considered the terms and conditions of the provider, recommended to the Board that the College change the provider of this service to Evalon Merchant Services (formerly EuroConex).**

**Action: Director of Finance**

## 10. OVERSEAS TRAVEL 2006/07

The Clerk presented a report and the Committee noted that there is a requirement to report to the Corporation on overseas travel in order to complete one of the questions in the Regularity Order.

Members further noted that a policy for overseas travel is in place and is included in Financial Regulations and Procedures.

The Committee was advised of the following approvals for overseas travel made in 2006/07:

- Educational visits: 7: funded by student contributions (5) and EU funding (2).
- Business related:
  - recruitment of students (Faculty of Engineering, Aeronautical & Transport): 2. One at a cost of £2,890 (matched funding by Department of Trade and Industry ) and the other at a cost of £5,000 funded by the Faculty.
  - curriculum development (Faculty of Computing and Information Technology): 2. Costs of £566 and £735 funded by the Faculty.
- Other: two visits to Tanzania at a total cost of £4,800; funded principally by the Beacon Dissemination Fund and a small College contribution. The Vice Principal (Curriculum and Students) went on one of the visits.

**The Committee scrutinised the Report and recommended its submission to the Board.**

**Action: Clerk**

## 11. ANY OTHER BUSINESS

No other business had been notified.

## 12. DATE OF NEXT MEETING

It was noted that the next meeting would take place on Wednesday 5 December 2007.

The Meeting closed at 8.06 p.m.