

**MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES
COMMITTEE HELD ON WEDNESDAY 16 JUNE 2010 IN
ROOM 1.19, BEDMINSTER CENTRE AT 6.30 P.M.**

Present: T Bray, K Elliott, N Middleton (Chair), M Timmins and M Williams

In Attendance:

J Bentley	-	Director of Finance
B Cooper	-	Director of Resources and Project Development
P Griffiths	-	Committee Services Officer
I Venn	-	Clerk to the Corporation

1 DECLARATION OF INTEREST

There were no declarations of interest.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from I Crawford Governors and R Frankham, Co-opted Member.

3 MINUTES OF MEETINGS HELD ON 28 APRIL 2010

These were agreed as a true record.

4 MATTERS ARISING FROM THE MINUTES OF 28 APRIL 2010

4.1 Minute 4.6 LSC Allocations

The Principal updated the Committee on the latest position with regard to the staffing cuts.

Members were pleased to note that job losses had been largely achieved through voluntary redundancy and eight staff have been redeployed across the College. The overall saving in salary costs is on target.

4.2 Minute 6 Review the Level of Contingency 2010/11

Members noted that the Board had not met since the last Committee Meeting therefore this item was awaiting Board approval.

4.3 Minute 7.2 South West Skills Centre

The Committee noted that I Venn, Head of Corporate Services, has been appointed to the South West Skills Centre Board of Directors as the second College nominee.

5. MANAGEMENT ACCOUNTS TO 30 APRIL 2010

The Director of Finance presented the Management Accounts to 30 April, which included the forecast outturn 2009/10 and cash flow forecast.

It was noted that the Accounts showed a £438k operating surplus against an expected deficit of £86k using the updated Mid Year Review (MYR) forecast as the comparator.

Members were pleased to note that fee income had exceeded the MYR forecast. These accounts were used to prepare the projected outturn to 31 July 2010 (Agenda Item 6 refers).

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

6. PROJECTED OUTTURN AT 31 JULY 2010

6. FIRST DRAFT FINANCIAL ESTIMATES FOR 2010/2011

The Director of Finance presented a first draft of the Financial Estimates for 2010/11, which showed a target surplus of £1.2m. It was noted that this target did not currently include a contingency or provision for a pay award.

Members further noted that income streams included in the estimates may be subject to change following emergency budget announcements soon to be made by the new coalition Government and the Comprehensive Spending Review in the autumn.

The key risks currently identified are:

- Train to Gain - £200m has been taken from the national contract and £150m is to be re-allocated to adult apprenticeships; and
- ESF Contracts – the issuing of final contracts has been embargoed.

Members noted the expenditure estimates for each of the cost groups.

The Committee received the draft plan for the Financial Estimates 2010/11, noting a further draft would be considered at the next meeting.

Action: Director of Finance.

7. BI-ANNUAL REPORT ON DEBTORS

The Director of Finance presented her paper and drew attention to the outstanding amount due from debtors which stood at £4,059k as at 30 April 2010. This compares to £5,108 at 31 July 2009 and £4,151k at April 2009.

Members noted that debtors included are amounts due from various sources including the sales ledger, grants from the LSC, other accruals and payments from HE partners, less the bad debt provision.

The Committee received the report.

8. STANDING ITEMS

8.1 Monitoring of Financial Plan 2009/10

The Committee had received the Outturn forecast 2009/10 with the April Management Accounts (*Minute 5 refers*).

It was noted that the Financial Estimates 2009/10 had forecast a surplus of £720k which had been reduced in the MYR to £91k. The current projection was a deficit of £357k.

Members recognised that at the time of the MYR, a number of additional costs (£1.6m) could not be predicted, including staff restructuring costs, dilapidation on leased premises and exit costs relating to premises. The impact of this was partially mitigated by the release of provisions in the balance sheet into the revenue account (£750k), that relate to some HE provisions made in previous years, and other accruals which could be released. This reduces the predicted year end outturn to a deficit of £177k.

The Committee recognised that the additional costs in the current year will result in savings in subsequent years, and that the College will be pursuing opportunities to achieve a break-even year end outturn. This is important in view of covenants on the College's loan agreements.

The Committee received the report.

8.2 Sustainability

The Director of Resources and Project Development presented a report on the work of the College's Sustainability Working Group.

The Committee noted that the following targets had been set for the current academic year:

- Reduce carbon emissions in line with Bristol City Council and its 10 /10 policy - within the current year (6 months to date) a 7% reduction in the CO2 emissions has been achieved and further work is ongoing to achieve the final 3%.
- Reduce utilities cost by 5% - the College is on target to make these savings.
- Use at least 20 % recycled paper - a new printing and paper group has been established to review all paper sources and initiate this target.
- Increase recycling of waste - a new contract has been agreed which requires an increased amount of recycling. This covers cardboard, paper waste chemicals, batteries, glass etc.
- Green travel plan - a green travel plan has been agreed by the Executive and is now being implemented. This includes the establishment of a cycling user group, a car sharing scheme and the use of alternative transport away from the motor car.

The Committee welcomed the initiatives outlined in the report and agreed to receive an Annual Sustainability Report for presentation to the Board. The report to include detail of achievements made against targets.

Action: Director of Resources and Project Development

8.3 College Companies and Joint Ventures

The Director of Finance reported that there had been no change to that reported at previous meetings.

8.4 South Bristol Skills Academy

The Director of Resources and Project Development presented his report and the Committee received the Minutes of SBSA Project Board meetings held on 14 April and 17 May 2010. Members noted the latest progress on the project:

- final fix of mechanical and engineering services;
- fitting of carpets and vinyl to floors;
- commissioning of services;
- final fix of equipment
- landscaping; and
- snagging works.

It was further noted that the total project cost is £31,627,340 and current expenditure as at 31 May 2010 was £28,816,611.

Members were pleased to note that the project was within budget, on time and staff were now in the process of moving into the new building. It was also noted that the Project Board would continue to meet periodically and Members took the opportunity to thank M Timmins for his work as the Governor representative on the Board.

The Committee received the report.

9. ANY OTHER BUSINESS

No other business had been notified.

10. DATE OF NEXT MEETING

It was noted that the next meeting would be held on Wednesday, 7 July 2010 at 6.30 p.m., in the Board Room, South Bristol Skills Academy.

The Meeting closed at 8.30 p.m.