

**MINUTES OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES
COMMITTEE HELD ON WEDNESDAY 28 APRIL 2010
IN ROOM 1.19, BEDMINSTER CENTRE AT 6.30 PM**

Present: T Bray (Chair), K Elliott, R Frankham, 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 and N Middleton, Governors.

3 MINUTES OF MEETINGS HELD ON 10 FEBRUARY 2010

These were agreed as a true record.

4 MATTERS ARISING FROM THE MINUTES OF 10 FEBRUARY 2010

4.1 Minute 4 FMCE Report

The Committee noted that the report had been circulated with the Minutes.

4.2 Minute 5.2 Immigration and Asylum Act – licensed sponsor

The Committee noted that information on the College being a licensed sponsor with the UK Border Agency had been included in the Executive Report to the Board.

4.3 Minute 7 Revised Financial Forecast 2009/10

The Committee noted that the Board had agreed to adopt the result of the mid year review as the Revised Financial Forecast 2009/10.

4.4 Minute 8 Fees Policy 2010/11

The Committee noted that the Board had approved the Fees Policy.

4.5 Minute 9 Bi-Annual Report on Capital Budget Monitoring

The Committee noted that the information on the amount of capital grants received was included in the report to the Board, together with reference to the Section 106 agreement at the Ashley Down Centre.

4.6 Minute 11.1 LSC Allocations 2010/11

The Committee noted that the Principal's briefings to staff had been circulated to the Board and Members had found them to be very informative.

The Committee received a paper which outlined changes to the Financial Plan, noting it had been circulated to the Trade Unions and the College's Senior Leadership Team.

Members also noted that version one of the Plan had identified the need for £8.4m cost reductions and this had been agreed by the Board. Following representations to the Skills Funding Agency (SFA), which replaced the LSC on 1 April 2010, the College had achieved an additional £1.7m of funding compared to the position before Easter.

The Committee was advised that the funding will provide additional resources for:

- Additional learning support;
- Apprenticeships;
- Train to Gain; and
- Short programmes for the unemployed.

The extra funding for additional learning support will enable the College to reduce the impact on staff in this area, including reducing a planned 20% cut in core hours teaching to 5%.

It was noted that most of the new income is in areas not subject to cuts and where money is only received if the College can deliver the additional work. Under SFA rules, the money cannot be moved between different funding silos and the College now has very demanding targets to achieve to get all of the extra income.

The Committee was pleased to note that this income will restore over £900,000 of staffing and save approximately 20 jobs, as well as reducing the cuts on core hours staff.

Members asked a number of questions relating to the voluntary redundancy scheme and capital repayments, to which the Principal responded.

It was noted that the capital repayments and interest charges of £1.9m would be funded from premises and facilities savings which had been identified prior to the reductions in the funding allocations.

The Committee received the report.

5. MANAGEMENT ACCOUNTS TO 31 MARCH 2010

The Director of Finance presented the Management Accounts to 31 March which included budget profiling for each quarter, achievement against LSC contracts and cash flow forecast.

It was noted that the Accounts showed a £390k operating surplus against an expected deficit of £106k, using the updated Mid Year Review (MYR) forecast as the comparator. The budget profile predicts a break even position at year end, excluding restructuring costs.

Members further noted that there was a risk to income of between £400k and £500k against the achievement of the 16/18 apprentice contract as employers are not recruiting apprentices at the level anticipated at the time of the MYR. This may be

offset by exceeding the 19/24 apprentice MYR estimate (approximately £200k), and the College is continuing to push the SFA for additional funding for 25+ apprentices to meet employer demand.

The risk to expenditure was non-pay costs in curriculum delivery areas which were slightly above profile and this was being addressed by the College management. This may be offset by lower non pay costs in curriculum and business support.

In response to Members' questions, it was noted that all of the contingency of £1.1m had been released in the MYR.

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

6. REVIEW THE LEVEL OF CONTINGENCY 2010/2011

Members were reminded that the Board required the Committee to review the level of contingency annually, and had previously approved the recommendations of the Committee that:

- a contingency fund equal to 2% of operating income be identified during the budget setting process; and
- allocations from the contingency fund would be managed centrally, under the supervision of the Principal, with movements being reported via the regular financial reports to the Committee.

The Committee considered that 2% of the operating income was an appropriate level and **recommended to the Board that the existing arrangements continue.**

Action: Clerk

7. STANDING ITEMS

7.1 South Bristol Skills Academy

The Director of Resources and Project Development presented his report and the Committee received the Minutes of SBSA Project Board meeting held on 15 March 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 biomass boiler;
- final fix of catering equipment;
- commissioning of services;
- landscaping; and
- snagging works.

It was further noted that the total project cost is £31,627,341 and current expenditure as at 31 March 2010 was £25,064,073.

The Committee received the report.

7.2 College Companies and Joint Ventures

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

The Committee noted that the College was awaiting the outcome of a bid for a contract, the income of which would be processed through Partners in Business West Ltd.

Members further noted that the College Director of the South West Skills Centre had resigned from the College and a new Board Member for the Centre would be identified.

Action: Principal

7.3 Aramark

The Director of Resources and Project Development updated the Committee on catering services provided by Aramark and reported that the quality had improved.

8. MEETINGS 2010/11

The Committee agreed to continue to meet on a Wednesday evening at the South Bristol Skills Academy.

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, 16 June 2010 at 6.30 p.m., venue to be advised.

The Meeting closed at 7.25 p.m.