



## **FINANCE & GENERAL PURPOSES COMMITTEE MINUTES OF MEETING 170 HELD ON 23 JUNE 2009**

**Present:** Jim Darmody, Mary-Rose Hardy, Mike Noddings Richard Smith  
**Clerk:** Fiona Bagchi  
**In attendance:** Bill Jackson (Director of Network and Information Systems), Rogers (College Finance Manager), Mike Rogerson, Vice-Principal (Student and Staff Support), Ian Taylor (Vice-Principal, Performance Improvement), Alan Woodcock (Director of Resources)

### **170.1 Apologies for absence**

Members noted that Neil Telfer would be attending the meeting as an observer as part of Corporation's induction arrangements. It was noted that both Jim Darmody and Neil Telfer would arrive later in the meeting.

***There were apologies from John Wilson, Chair of the Finance and General Purposes (F&GP) Committee.***

***In the absence of John Wilson, Mike Noddings was appointed as Chair of the meeting.***

### **170.2 Declarations of interest**

***The following declarations were noted:***

- Mary-Rose Hardy's standing declaration that she was a Councillor of East Riding of Yorkshire Council.***

### **170.3 Minutes of meeting 169 held on 28 April 2009**

***The minutes of the Finance and General Purposes (F&GP) Committee meeting 169 held on 28 April 2009 were approved.***

### **170.4 Matters arising and actions**

(Actions shown below are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of each item).

- 1 The confidential minutes of F&GP Committee meeting 160 would be returned to the September 2009 meeting of the Committee for further consideration on whether they could be released from confidentiality (169.4).

**Action: Clerk**

- 2 In future, the names of Student Association officers would be printed next to their signatures in the Student Association accounts (169.4).

**Action: Clerk/SR/KH**

- 3 The model publication scheme, which had been adopted at the December 2008 meeting of Corporation with effect from 1 January 2009, had been placed on the *About us* section of the College website. The guidance to information published by the College would be added to the website when developed (169.4).  
**Action: Clerk**
- 4 It was noted that the draft budget for 2009/10 , which was on the agenda, included details of the College's final Learning and Skills Council (LSC) grant allocation for 2009/10 (169.4).
- 5 The Finance Manager was compiling benchmarking information from other NorVlc colleges on income streams and would report to the Committee in autumn 2009 (169.4).  
**Action: SR/Clerk**
- 6 The College's pandemic 'flu policy was on the agenda (169.6).
- 7 The F&GP Committee meeting scheduled for 19 May 2009 had been cancelled, as agreed (169.14).

### **170.5 Student recruitment report**

Mike Rogerson, Vice-Principal, Student and Staff Support, spoke to the student recruitment and marketing reports.

Members considered the student applications table, noting in discussion that:

- the College had received 808 applications to date;
- the final total could be in the region of 840-850 by the end of the summer;
- there were possible risks for retention and achievement where students applied late and the importance the College therefore placed on ensuring that students received appropriate guidance towards the right course of study/institution;
- the Department for Children Schools and Families' (DCSF) "September guarantee", which guaranteed a place in education and training for young people aged under 18, and the implications for FE sector funding;
- public sector funding, including funding for the FE sector, was expected to be tight in 2009/10;
- the College had received funding from the LSC for 40 extra students in 2009/10, although enrolments were expected to exceed the College's overall funding target;
- the effect of the increase in student numbers on the College's student transport policy, noting that the College provided subsidised bus fares to ensure the College was accessible to students.

***Members received the student recruitment report, noting that 808 applications had been received to date, and congratulated the College's marketing team.***

### **170.6 Student numbers and funding projection, including review of Development Plan headline targets for learner numbers**

Bill Jackson, the Director of Network and Information Systems, spoke to the student numbers and funding report for June 2009.

Members considered the student numbers report, noting that:

- as previously noted, the College had exceeded its student number target significantly for 16-18 year old students and its Standard Learner Numbers (SLN) target by over 100, although SLN numbers for adult provision still remained low;
- level 3 retention for 16-18 year old students currently showed positive signs for an improvement on 2007/08 i.e. it was 92.6% in June 2009 compared to 89.9% in June 2008 and a 2006/07 national benchmark of 93%;
- the fall noted at recent meetings in student retention at level 2 for 16-18 year old students had levelled out with retention now 88.1% compared to 87.1% in June 2008, suggesting that improvements in reporting arrangements may have been responsible for the apparent comparative fall in retention previously noted.

***The Committee considered the Student Numbers and Funding Report for June 2009, noting that the College had exceeded its LSC learner numbers and Standard Learner Numbers (SLNs) target for 16-18 year old learners and that retention at levels 3 and 2 year to date showed an improvement on 2008/09***

(Neil Telfer joined the meeting).

## **170.7 Pandemic 'flu**

### **(i) Swine 'flu guidance from DCFS and BIS**

***The Committee received the latest swine 'flu guidance from the DCSF and the Department for Business, Innovation and Skills (BIS).***

### **(ii) College pandemic 'flu procedure**

Alan Woodcock, Director of Resources, spoke to the College's Swine 'Flu Response Statement.

Members considered the statement and noted:

- a report on actions being taken to inform students of preventative measures that could be taken to minimise the spread of 'flu;
- that the Audit Committee had also considered, at its June 2009 meeting, College planning for a 'flu pandemic in the context of its monitoring of the College's risk management processes and had agreed that the College's statement outlining its response to a swine 'flu epidemic should be presented to full Corporation following review by the F&GP Committee.

***The Committee agreed to present the College's Swine 'Flu Response Statement to Corporation for information.***

**Action: Clerk/Chair**

## **170.8 Health and Safety and Environmental report**

### **(i) Verbal report on the Health and Safety Committee meeting to be held on 23.6.09**

Alan Woodcock provided a verbal report on the Health and Safety Committee meeting held on 23 June 2009.

Members noted that the Committee had considered:

- the College's response to a swine 'flu epidemic;

- Epipen training for new staff in autumn term 2009;
- risk assessment training for subject areas;
- the accident report.

***The Committee received a verbal report on the Health and Safety Committee meeting held on 23 June 2009, noting that the written minutes would be presented to the September 2009 meeting of the Committee.***

(Jim Darmody joined the meeting).

(ii) Annual Review of Health and Safety Committee terms of reference

***The Committee noted that no changes were proposed to the Health and Safety Committee terms of reference.***

(iii) Annual review of Health and Safety Policy

(iv) Annual Review of Environmental Policy

***The Committee noted that the Health and Safety Policy and the Environmental Policy were reviewed by the Director of Resources annually, with any changes being presented to the April meeting of the College Management Team. It was noted that no revisions to the policies were required in 2009.***

## **170.9 Finance Matters**

The Finance Manager, Steve Rogers, spoke to the finance reports to be considered under this item.

(i) Monthly Accounts, including review of financial performance indicators

Members considered the May 2009 management accounts, including the cash-flow forecast, capital expenditure, key performance indicators and ratios, noting the following points in discussion:

- the operating deficit for the 10 months was £29,400, compared with the budgeted deficit of £116,200, and the historical cost surplus for the 10 months was £67,400, compared with a budgeted deficit of £49,500;
- there was a reasonable expectation that the year-end deficit could be below the budgeted deficit of £177,100;
- with reference to non-pay expenditure, that the College had spent at a cumulative rate to be £44,800 above the original budget, with the main areas of overspend being marketing, premises and catering;
- examinations costs were also currently ahead of budget but it was expected that they would be close to budget by the year-end;
- there continued to be major savings against budgeted interest rates, as a result of low interest rates and close managing of cash-flow;
- pay expenditure showed an overall negative variance of £10,800 but it was hoped that pay costs would be closer to budget by the end of the year, although the introduction of the new tutorial system from June 2009 would put pressure on pay expenditure;
- with reference to the 12 month rolling cash-flow report, the actual balance in the bank account was £29,000 lower than projected in April 2009, due to small differences in income and expenditure;
- with reference to the performance of key performance indicators (KPIs) and ratios, the year-end figures gave a better indication of outturn against budget than the

monthly figures which could be distorted by short-term issues, noting in particular the effect of the College re-development project.

Committee members discussed in detail the catering deficit, noting the following issues:

- the College's catering service had, until the current year, broken even although most colleges expected to have to subsidise their catering service ;
- from the analysis undertaken by the College it appeared that catering staff costs were not excessive, purchasing was undertaken competitively and that a fall in income had caused the deficit, with there having been a fall in both the use of the refectory and the vending machines in 2008/09;
- student surveys showed that they remained satisfied with the College's catering service and possible reasons for the fall in income included the current adverse economic situation, the recent establishment of 2 convenience supermarkets close to the College, and the fact that the refectory was small;
- the College would continue to monitor the situation, including the impact on sales of the opening of the new larger College refectory in April 2010;
- the Finance Manager had budgeted for a catering service deficit for 2009/10 in the draft budget to be considered later on the agenda.

Members discussed in detail expenditure on maintenance and refurbishment, noting that:

- expenditure on long-term maintenance had fallen as the re-development project had progressed e.g. the used to spend £80-100,000 annually, which had fallen to £20-25,000 and would fall to about £5,000 in 2009/10;
- a 10-year financial forecast for planned maintenance would be prepared in 2010.

**Action: AW/SR**

***The Committee received the monthly accounts for May 2009, noting that after 10 months the College remained within the budgeted deficit for 2008/09.***

(ii) Tuition Fees for 2009/10, excluding ESOL fees, for recommendation to Corporation

The Committee considered proposed tuition fees, excluding ESOL (English for Speakers of Other Languages) fees, for 2009/10, noting in discussion that:

- most students at the College were either not required to pay fees or received fee remission;
- the LSC required a year on year increase in the proportion of the fee to be collected from the student i.e. 45% of the cost of fees for 2009/10;
- College fees for 2008/09 had been slightly below LSC guidelines but had been brought back into line with LSC guidelines for 2009/10;
- the year on year increase in the cost of adult education fees may have contributed to the decline in the number of students taking adult education courses at the College, with the construction of adult education centres (e.g. in Cottingham) another possible reason;
- with the exception of Skills for Life courses provided by the College at outreach centres, the College would only be providing two late afternoon adult education classes (post-A level Italian, Pilates) in 2009/10, although students aged 19+ could join the College's normal daytime courses.

***The Committee agreed to recommend tuition fees for 2009/10, excluding ESOL, fees to Corporation for approval.***

**Action: Clerk/Chair**

(iii) ESOL fees approved under Chair of Corporation's action

The Committee noted that ESOL fees for 2009/10 had already been approved under Chair of Corporation's action, as the College needed to have earlier confirmation of these fees to allow overseas students sufficient time to meet new visa requirements.

***It was agreed that Chair of Corporation's action to approve ESOL fees for 2009/10 should be reported to the July 2009 meeting of Corporation:***

**Action: Clerk/Chair**

(iv) Draft budget 2008/09 for recommendation to Corporation

Steve Rogers spoke to the draft budget for 2008/09.

Members noted in discussion that:

- budget assumptions included pay inflation of 2.3% from September 2009;
- non-pay inflation had been included at 2.3%;
- LSC recurrent funding had been set in line with the information provided by the local LSC office, which included consolidation into funding of growth in student numbers achieved in 2008/09 and funding for an additional 40, 16-18 year old full-time equivalent (FTE) students for 2009/10;
- other LSC income had increased as a result of the additional release from capital grants on completion of the College re-development project;
- other income had increased (e.g. from the SFSO project, small increases in exam re-sits and peri music fees, FESCO income) although this would be offset to some extent by a reduction in bank interest as the college's bank interest rates and available cash balances would remain low;
- no increase had been included in ESOL income, as there was some concern that new visa requirement could affect recruitment of overseas students;
- with reference to non-pay expenditure, in a number of areas it had been necessary to increase resources above inflation e.g. curriculum, exam fees, premises (electricity costs), transport. IT costs, marketing;
- the College would draw down the full amount of the £2.5 million loan as it reached the end of the re-development project in April 2010;
- interest rates would be lower than budgeted for in the 10-year forecasts submitted to the LSC in support of the re-development project but would be expected to move up during the year;
- a deficit of £96,700 was planned, which was about £60,000 lower than forecast in the 10 year plan.

***The Committee agreed to recommend the draft budget for 2009/10 to Corporation for approval, noting that it included a planned deficit of £96,700 but providing the College continued to grow as planned, it was anticipated that the College should be able to move back into surplus in 2010/11.***

(v) Draft 3-Year Financial Plan and financial PIs & objectives will be presented to the Corporation meeting to be held on 8 July 2009

***The Committee noted that the draft 3-Year Financial Plan and financial performance indicators and objectives would be presented to the Corporation meeting to be held on 8 July 2009.***

## **170. 10 Report on 2009 pay awards consultation**

The Principal reported that he had responded to the Sixth Form Colleges Forum's Pay awards consultation.

Members noted that:

- it was likely that the 2009 award would be similar to that for school teachers i.e.2.3%;
- it was understood that some colleges wished the 2009 pay award to be a phased award;
- unions representing support staff were negotiating for the removal of point 8 or a higher increase for staff on point 8.

***The Committee received a verbal report from the Principal on the Sixth Form Colleges Forum's 2009 pay award consultation.***

## **170.11 Strategic and Development Plan Report, including report on College property strategy**

The Principal gave a verbal report on strategic planning, with reference to local, regional and national events.

### **(i) Strategic planning**

Members noted that:

- Corporation had approved the College's Development Plan 2009-12 at its May 2009 meeting;
- the Chair of Corporation and the Principal were working on a strategy statement reflecting the outcome of the Corporation's Strategy Event on 3 June 2009 for presentation to the July 2009 meeting of Corporation.

**Action: Chair of Corporation/RTS**

### **(ii) Machinery of Government changes**

Members noted that:

- the transfer of staff from LSC to local authority and other roles had begun;
- for the coming year the College's planning discussions would take place with joint representatives of the LSC and Hull Children's Services.

Members noted in general that, as a result of the adverse economic situation, public expenditure cuts could be expected in the near future e.g. 60% of the Learning and Skills Improvement Service (LSIS) budget had been cut.

### **(iii) Building School for the Future (BSF) and Academies report**

Members noted that:

- contracts under BSF for Sirius Academy and Kelvin Hall School were expected to be issued during summer 2009;
- the expression of interest for the Northern Academy (which would replace Sir Henry Cooper School) had not yet been submitted to the DCSF.

### **(iv) NorVlc**

Members noted that:

- the recently appointed SFCF Chief Executive, David Igoe, had attended a recent NorVlc Principals' meeting in York.

### **(v) College re-development project**

The Director of Resources gave a verbal progress report on the College re-development project.

Members noted with reference to the Oak Building that:

- the work was progressing well, was currently approximately 2 weeks ahead of schedule and the building was expected to open in April 2010 as planned;
- the theatre and central section were now watertight and the contractors were working on the sports hall;
- the College was working closely with the BSF team in relation to the Kelvin Hall School re-development project and it was possible that the College would be able to let the School use some of its temporary classrooms once the College re-development project had been completed.

***Members received a verbal progress report on strategic planning and on the College re-development project, noting that work on the Oak Building was progressing well.***

***It was agreed that a tour of the Oak Building should be arranged for Corporation members for 4.15pm on 8 July 2009.***

**Action: AW/Clerk**

**170.12 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention**

***The Principal reported on the recent successful return visit from the College's Barntrup exchange partners, including a celebration of the twentieth anniversary of the exchange.***

**170.13 Report from the Clerk on the need for Corporation members to have business use car insurance**

The Clerk reported that there had been some discussion on the Clerks' mail base concerning Zurich, who was the College's insurers, advising some colleges that Corporation members should have business use car insurance for Corporation business, including travelling to meetings.

***It was agreed that the Finance Manager would discuss with Zurich, at the College's forthcoming annual review meeting, the need for Corporation members to have business use car insurance and would report to Corporation.***

**Action: Clerk/SR**

**170.14 Any other business**

***It was noted that there was no other business.***

**170.15 Risk management – items identified at the meeting**

***The Committee noted the following possible item of risk:***

- ***a requirement for Corporation members to have business use car insurance.***

**170.16 Dates of next year's meetings**

***The Committee agreed the following dates for Committee meetings in 2009/10:  
22.09.09 20.10.09 24.11.09, 8.12.09, 26.01.10, 23.02.10, 23.03.10, 27.04.10,  
25.05.10, 22.06.10, with all meetings scheduled to take place on Tuesdays  
starting at 4.30pm.***

Fiona Bagchi  
Clerk to the Corporation  
14 September 2009

**Actions arising from F&GP Committee meeting 170 held on 23 June 2009**

No.	Action for:	Action:	Status of Actions:
1	Clerk	Return confidential minutes of F&GP 160 to F&GP in <u>Sept. 2009 - a long-term action.</u>	On agenda.
2	Clerk/SR/KH	In future, names of Student Association officers to be printed next to their signatures in the Student Association accounts – <u>Nov. 2009 – a long-term action.</u>	On agenda.
3	Clerk	The College guide to information published by the College would be placed on the College website when developed – <u>summer term 2009.</u>	
4	Clerk/SR	Finance Manager to investigate further and report to F&GP Committee and Corp. on whether the College was currently taking advantage of all the income streams that were available to it – <u>autumn 2009.</u>	
5*	Clerk/Chair	Chair: present College's Swine 'Flu Response Statement to <u>Corp.</u> , for information – <u>July 2009.</u>	Done. Received at July 2009 Corp. meeting.
6*	Clerk/Chair	Chair: recommend tuition fees (excl. ESOL fees) to <u>Corp.</u> for approval – <u>July 2009.</u>	Done. Approved at July 2009 Corp. meeting.
7*	Clerk/Chair	Report Chair of Corp.'s action re approval of ESOL fees to <u>Corp.</u> in <u>July 2009.</u>	Done. Report received at July 2009 Corp. meeting.
8*	Clerk/Chair	Chair: recommend draft budget for 2009/10 to <u>Corp.</u> for approval – <u>July 2009.</u>	Done. Approved at July 2009 Corp. meeting.

No.	Action for:	Action:	Status of Actions:
9*	SR/Clerk	Draft 3-Year Financial Plan and financial PIs & objectives to be presented to <u>Corp.</u> – <u>July 2009.</u>	Done. Received and approved at July 2009 Corp. meeting.
10*	Chair of Corp/RTS	Present strategy event statement to <u>Corp.</u> – <u>July 2009.</u>	Done. Approved at July 2009 Corp. meeting.
11*	AW/Clerk	Arrange tour of Oak Building for <u>Corp.</u> – <u>4.15pm, 8 July 2009.</u>	Done.
12	SR/Clerk	SR to check with Zurich re whether Corp. members require business use car insurance – <u>Sept. 2009.</u>	On agenda.

*\* Items marked with an asterisk show actions which will be completed by/at Corporation or a Corporation Committee other than the F&GP Committee.*

## **FINANCE & GENERAL PURPOSES COMMITTEE MINUTES OF MEETING 171 HELD ON 23 SEPTEMBER 2009**

**Present:** John Wilson (Chair), Jim Darmody, Mary-Rose Hardy, Mike Noddings, Richard Smith (Principal)

**Clerk:** Fiona Bagchi

**In attendance:** Management: Bill Jackson (Director of Network and Information Systems), Ian Taylor (Vice-Principal, Performance Improvement), Mike Rogerson, Vice-Principal (Student and Staff Support), Steve Rogers (Finance Manager), Alan Woodcock (Director of Resources)

### **171.1 Apologies for absence**

There were no apologies.

### **171.2 Declarations of interest**

Mary-Rose Hardy asked for her standing declaration that she was a Councillor of East Riding Council of Yorkshire to be recorded. There were no other declarations of interests.

### **171.3 Election of Chair**

The Clerk reported that under Corporation's Standing Orders, Committees elected their Chairs at the first meeting of the autumn term.

Mary-Rose Hardy proposed John Wilson as Chair of the F&GP Committee. The proposal was seconded by Mike Noddings.

***John Wilson was elected Chair of the Finance & General Purposes Committee unopposed.***

The Clerk reported that reports from recent inspections had indicated that the Learning and Skills Council's (LSC) Provider Financial Assurance auditors considered it best practice for Corporation committees to also elect Vice-Chairs.

Mary-Rose Hardy proposed Mike Noddings as Vice-Chair of the F&GP Committee. The proposal was seconded by John Wilson.

***Mike Noddings was elected Vice-Chair of the Finance & General Purposes Committee unopposed.***

### **171.4 Minutes of meeting 170 held on 22 June 2009.**

***The minutes of Finance and General Purposes (F&GP) Committee meeting 170 held on 23 June 2009 were approved.***

### **171.5 Matters arising and actions**

(Actions shown below are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of each item).

- 1 The confidential minutes arising from F&GP Committee meeting 160 were on the agenda, as agreed (170.4).
- 2 In future, names of Student Association officers would be printed next to their signatures in the Student Association accounts (170.4).  
**Action: Clerk/SR/KH**
- 3 It was noted that the College Publication Scheme was on the College website and the College guide to information published by the College would be placed on the website when developed (170.4).  
**Action: Clerk**
- 4 The NorVic benchmarking report on income streams would be presented to the October 2009 meeting of the Committee (170.4).  
**Action: Clerk/SR**
- 5 The College's Swine 'Flu Response Statement had been presented to the July 2009 meeting of Corporation, as agreed (170.7).
- 6 Corporation had approved at its July 2009 meeting the College's tuition fees for 2009/10, including a correction to the list of fees for English for Speakers of Other Languages (ESOL) courses (170.9).
- 7 A report was made to the July 2009 meeting of Corporation on Chair of Corporation's action taken to approve ESOL fees (170.9).
- 8 The July 2009 meeting of Corporation had approved the budget for 2009/10, on the recommendation of the Committee (170.9).
- 9 The July 2009 meeting of Corporation had approved the 3-Year Financial Plan and financial performance indicators (PIs) and objectives (170.9).
- 10 The strategy event statement had been approved at the July 2009 meeting of Corporation (170.11).
- 11 A tour of the Oak Building had been arranged immediately before the July 2009 meeting of Corporation, as agreed (170.11).
- 12 The Finance Manager would check with Zurich whether Corporation members required business use car insurance (170.13).  
**Action: SR/Clerk**

### **171.6 Annual review of confidential minutes**

The Clerk reported that:

- the Committee had produced no confidential minutes in 2008/09;

- with reference to confidential minutes produced during 2007/08, it had been agreed at the September 2008 meeting of the Committee that the confidential minutes of F&GP Committee meeting 160, which related to a negotiating position in relation to the northern Academy, should be returned to the current meeting for further review

***The Committee considered confidential minutes arising from F&GP Committee meeting 160 and agreed that they should be released from confidentiality as the information was now in the public domain.***

**Action: Clerk**

The Principal reported that:

- under Building Schools for the Future (BSF), all schools had been allocated 50 places for sixth form students but it had been confirmed at a recent BSF meeting that no 11-16 schools which were not Academies would have sixth forms.

## **171.7 Enrolment report and Student numbers and funding report**

### **(i) Enrolment Report**

Mike Rogerson, Vice Principal (Student and Staff Support), reported that:

- the College had about 1,160 students enrolled for 2009/10;
- there had been an increase in the number of students enrolling from Longcroft, Hessle, and South Hunsley Schools and from St Mary's College, with good recruitment also from Cottingham;
- recruitment from Sir Henry Cooper School remained low;
- there had been a small drop in the number of students recruited from Beverley High School, which now had a combined sixth form with Beverley Grammar School;
- there had been an increase in the number of students applying for places in Psychology, PE and Media Studies and the College had to recruit an additional part-time Media Studies teacher;
- John Hamlin and the marketing team were already beginning marketing activities for 2010/11.

***The Committee noted that there had been an increase in enrolment for 2009/10, with the College currently having around 1,160 students. The Committee congratulated the Liaison Manager, John Hamlin, and the marketing team.***

(Steve Rogers joined the meeting).

### **(ii) Student numbers and funding report**

#### **(a) Academic Year 2008-2009**

Bill Jackson, the Director of Network and Information Systems, spoke to the student numbers and funding report for September 2009, which was discussed.

Members considered the 2008/09 LSC funding allocation, noting that:

- the F04 ILR (July) had been submitted to the LSC:
- the College had achieved 106% of its LSC funding allocation for 2008/09, overachieving on the target set for 16-18 year old students but falling just short of the College's overall student number and full-time equivalent (FTE) targets for adult students and its additional learning support allocation.

Members considered student retention, achievement and success rates for 2008/09, noting in particular that:

- there had been a significant improvement in success rates for students aged 16-18 at level 3 in 2008/09 compared to 2007/08 (82.7% and 80.7% respectively), with retention having significantly improved and achievement having fallen slightly (92.4% and 89.5% respectively for 2008/09, 89.3% and 90.3% for 2007/08);
- there had been a significant improvement in success rates for students aged 16-18 at level 2 in 2008/09 compared to 2007/08 (83.4% and 81.6% respectively), with improvements in both retention and achievement.

The Committee discussed in detail the reasons for the improvements in retention, noting that:

- there was no single reason;
- a number of factors were relevant e.g.
  - good teaching and support for students,
  - attention to the needs of students, which varied from cohort to cohort;
  - good induction and guidance
  - improved availability of live curriculum information,
  - improved communication through e-concern, enabling teachers, tutors, mentors, the Guidance team and Division Heads to take more rapid action where there was concern about retention and performance,
  - removing the Student Guidance Manager from front desk duties to concentrate on the above,
  - teachers knowing how to use mentors effectively,
  - good communication with parents,
  - individual students having access to their own data,
  - attention to detail and continuous improvements to the system.

#### (b) Academic Year 2009-2010

Members noted that:

- the College currently had 1,128 16-18 year old full-time students against an LSC funded target of 1,090;
- the College had enrolled 29 full-time adult students to date, of which 20 were aged 19 and were mostly second years who had started at the College in 2008/09 and more than 30 part-timers students.
- the six week census point for keeping students had been changed from 1 November to six weeks after enrolment.

Members noted that:

- The LSC's Standard Learner Number (SLN) calculation was affected by a number of issues e.g. it would decrease if the College lost students before the 6 week census date, it would increase as new students joined the College, additional programmes for existing students (e.g. enrichment, A2 General Studies) were added to the calculation and National Award students became National Diploma students later in the year.

***The Committee received the Student Numbers and Funding Report and noted that:***

- ***success rates for 2008/09 had improved significantly at levels 2 and 3;***
- ***the College had achieved 106% of its LSC funding allocation target for 2008/09;***

- ***there had been an increase in the number of students enrolling at the College, with the College currently having 1,160 students and receiving LSC funding for 1,090 students.***

***The Committee congratulated all those in the College who had contributed to improvements in student success rates in 2009.***

#### **171.8 Security report**

The Director of Resources, Alan Woodcock, spoke to the 2008/09 Security report.

Members noted in discussion:

- with reference to the theft of keys, that the College had take action to ensure that they could not be used;
- with reference to the theft of laptops, that the College had worked with the police, who had made an arrest.
- the College's security record was considered reasonable for the sector.

*The Committee received the College security report for 2008/09.*

#### **171.9 Health and Safety Report**

The Director of Resources, Alan Woodcock, spoke to the minutes of the Health and Safety Committee meeting held in June 2009 and reported that the first scheduled meeting of the College's Health and Safety Committee for 2009/10 would take place shortly.

Members noted in discussion that:

- the College had procedures in place to deal with Swine 'flu and was providing disinfectant hand cleanser e.g. for use in computer rooms;
- risk assessment training for Heads of Subject and Course Leaders had taken place at the end of the summer term;
- with reference to the autumn term fire drill and the increased number of students in the College, the College emphasised the importance of staff training and ensuring that lessons were learnt from previous drills e.g. the provision of classroom maps to ensure that staff and students in the Ash Building used their nearest fire exit rather than the main exit;
- the College would review fire drill procedures following the opening of the Oak Building in April 2010;
- the June 2009 meeting of the Health and Safety Committee had reviewed the Accident Book for April to June 2009 and noted that there had been 18 minor accidents during 2008/09 to date.

***The Committee considered the Health and Safety (H&S) Committee minutes of June 2009 and discussed College procedures in relation to Swine 'flu and fire drills.***

#### **171.10 Report on the management accounts for the year ended 31 July 2009**

The Finance Manager, Steve Rogers, spoke to the draft management accounts for the year ended 31 July 2009.

Members noted in discussion that:

- the draft management accounts were subject to audit, which would take place shortly;
- Corporation had approved a budgeted deficit of £177,100 for the year ended 31.7.09 but it was likely that there would be a small historical cost surplus of around £14,000, taking into account accelerated depreciation i.e. slightly lower than stated in the draft accounts being considered;
- the generation of additional income and savings on interest payments on the bank loan had contributed to the above surplus;
- the key performance indicators and ratios were affected by the College re-development project.

Members noted with reference to 2009/10 that:

- the Finance Manager had kept borrowing to £1.2 million but would now have to draw down more of the loan to pay for large invoices from building contractors, Hobson and Porter;
- references to the HE franchise and Wyke Business training would be removed from the monthly management accounts as these were now redundant.

**Action: SR**

***The Committee considered the unaudited draft management accounts for the year ended 31 July 2009 and noted that the audited financial statements would be presented to the November 2009 meeting of the Committee.***

**Action: SR/Clerk**

### **71.11 Annual pension report**

The Finance Manager spoke to the annual pension report on the East Riding Pension Fund, the pension scheme for the College's support staff.

Members noted in discussion that:

- the report noted the actuarial valuation for Financial Reporting Standard 17 (FRS 17) purposes as at 31.7.09;
- the annual actuarial report showed that there had been a significant increase in the College's share of the overall scheme deficit from £471,000 at 31.7.08 to £1,170 million at 31.7.09 due predominantly to actuarial losses, in particular the fall of the stock market during 2008/09;
- the East Riding Pension Fund was in the top quartile of local government pension schemes and it was anticipated that, as the stock market recovered that the College's share of the deficit for future years could be lower;
- while the scheme deficit was outside the College's control, the annual report allowed the College to budget for any increase in employer contributions required.

***The Committee received the annual report on the East Riding Pension fund, the pension scheme for the College's support staff, noting that there had been a significant increase in the College's share of the overall scheme deficit for the year ending 31 July 2009.***

### **171.12 Report on compliance with tendering procedures**

The Finance Manager spoke to the annual report on compliance with tendering procedures.

Members noted that:

- the report detailed the tendering exercise for equipping the College theatre which had been undertaken for the College by a firm of consultants;
- it was anticipated that there would be a number of tendering exercises in 2009/10 connected to equipping the Oak Building.

***The Committee received the 2008/09 report on compliance with tendering procedures.***

**171.13 Annual completion of F&GP Performance Checklist/review of F&GP PIs**  
***The Committee completed its annual review of its performance checklist, noting that it was fully compliant.***

**Action: Clerk/Chair**

***The Committee reviewed the draft report on its performance indicators for 2008/09, noting that a report on the indicator for dispatch of agenda, minutes and papers would be presented at the October 2009 meeting of the Committee.***

**Action: Clerk**

#### **171.14 Consideration of Eversheds' Governance Subscription**

The Clerk reported that:

- under the Committee's standing agenda item list, the Clerk brought the annual renewal of the Corporation's subscription to Eversheds' *Governance Plus* service to the Committee for approval where the fee for annual renewal had increased by more than 10%;
- the service provided the Clerk with:
  - an annotated version of the *Instrument and Articles of Government* detailing Eversheds' advice on their interpretation, implementation and best practice,
  - access to a governance helpline,
  - access to the *Governance Plus* section of the Eversheds' website including:
- access to Eversheds' model documents e.g. Code of Conduct, summaries of the legal basis for and the responsibilities of the Corporation
- access to Eversheds' regular digest of answers to frequently asked governance questions,
- notification of relevant training and e-briefings.

***The Committee received a report on Corporation's subscription to the Governance Plus service, noting that there had been no increase in the cost of the service for 2009/10 and payment had therefore been authorised by the Clerk as Corporation budget-holder.***

#### **171.15 Review standing agenda items and terms of reference**

***The Committee completed its annual review of its standing agenda items and terms of reference and agreed that no revisions were required.***

#### **171.16 Strategic and Development Plan Report including report on property strategy**

(i) Academies and Trust Schools report

The Principal reported that:

- the northern Academy had received planning permission but the expression of interest had not yet been submitted to the Department for Children, Schools and Families (DCSF);
- the Department and the Local Authority were understood to be discussing TUPE issues relating to the establishment of the Academy;
- John Hamlin and Mark Rothery had attended a meeting of some of the College's partner schools which were considering Trust status as a group and a further meeting would be held shortly which would include all the West Hull schools.

(ii) NorVlc report

The Principal reported that:

- The NorVlc strategy event would be held in York on 9 November 2009 and Chairs of Corporation had been invited to attend;

(iii) Building Schools for the Future (BSF)

The Director of Resources, Alan Woodcock, reported that:

- the re-building of Kelvin Hall School would go ahead in the initial BSF phase, with building beginning on site in March/April 2010;
- the local authority would discuss with the College the possibility of building on part of the College's land, close to the School's Multi-Use Games Area (MUGA);
- Balfour Beatty had been appointed as building contractors for the project.

(iv) College re-development project: Oak Building

Alan Woodcock reported that:

- construction of the Oak Building was on schedule, the building was watertight and painters were working in some areas;
- the College was choosing carpets and furniture for the building.

Members discussed the recently released report on the Office of Fair Trading (OFT) investigation into price rings and cover pricing in the construction industry:

- it was noted that the OFT investigation had concluded that a number of companies had been involved in cover pricing, including Hobson and Porter who were building contractors for the College re-development project;
- Hobson and Porter, which had a turnover of £32 million, had been fined £574,000 by the OFT and had made provision for the fine, which was payable over 3 years, in its accounts;
- Hobson and Porter had kept the College informed concerning the above;
- following notification of the OFT investigation, the College had taken out a bond, funded by Hobson and Porter, which provided protection should the contractors be unable to complete the project;
- there was no evidence of cover pricing in relation to the College project.

**171.17 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention**

***The Principal reported that there were no trips or visits to be reported under this item.***

**171.18 Any other business**

***John Wilson, as Chair of Governors, reported that the consultation evening for parents on 22 September 2009 had gone well and that 3 parents had put their names forward for the forthcoming election for a Parent member of Corporation.***

***Mary-Rose Hardy, as Chair of the Personnel Committee, reported that, with the Clerk, she had attended a Sixth Form Colleges Forum Conference (SFCF) on 22 September 2009 on staff disciplinary and grievance procedures and that a report would be made to the November 2009 Personnel Committee.***

**171.19 Risk management – items identified at the meeting**

***It was noted that no new items of risk had been identified at the meeting.***

**171.20 Date of next meeting: Tuesday 20 October 2009 at 4.30pm**

Fiona Bagchi  
Clerk to the Corporation  
26 October 2009

**Actions arising from F&GP Committee meeting 171 held on 23 September 2009**

<b>No.</b>	<b>Action for:</b>	<b>Action:</b>	<b>Status of Actions:</b>
1	Clerk/SR/KH	In future, names of Student Association officers to be printed next to their signatures in the Student Association accounts – <u>Nov. 2009</u> – <u>a long-term action.</u>	On agenda.
2	Clerk	The College guide to information published by the College would be placed on the College website when developed – <u>summer term 2009.</u>	
3	Clerk/SR	Finance Manager to investigate further and report to F&GP Committee and Corp. on whether the College was currently taking advantage of all the income streams that were available to it – <u>autumn 2009.</u>	On agenda.
4	SR/Clerk	SR to check with Zurich re whether Corp. members require business use car insurance – <u>Sept. 2009.</u>	Clerk: advice received via Clerks' network is that Corp. members should check with their own insurers re whether this is required.
5	Clerk	Release minutes from F&GP 160 from confidentiality – <u>Sept. 2009.</u>	Done.
6	SR	Remove redundant references to the HE franchise and Wyke Business Training from the management accounts – <u>Oct. 2009.</u>	
7	SR/Clerk	Present draft audited Financial Statements to F&GP – <u>Nov. 2009.</u>	
8	Clerk/Chair	Signed F&GP performance checklist to be kept with the signed minutes – <u>Sept. 2009.</u>	
9	Clerk	F&GP PIs for dispatch of papers to be presented to <u>Oct. 2009</u> meeting of Corp.	On agenda.

\* Actions to be completed at Corporation or another Committee.



## **FINANCE & GENERAL PURPOSES COMMITTEE MINUTES OF MEETING 172 HELD ON 3 NOVEMBER 2009**

**Present:** John Wilson (Chair), Jim Darmody, Mary-Rose Hardy, Mike Noddings, Richard Smith (Principal)

**Clerk:** Fiona Bagchi

**In attendance:** Management: Bill Jackson (Director of Network and Information Systems), Ian Taylor (Vice-Principal, Performance Improvement), Steve Rogers (Finance Manager), Alan Woodcock (Director of Resources)

### **172.1 Apologies for absence**

There were no apologies from Committee members. Apologies were received from Mike Rogerson, Vice-Principal (Student and Staff Support).

### **172.2 Declarations of interest**

Mary-Rose Hardy asked for her standing declaration that she was a Councillor of East Riding of Yorkshire Council to be recorded. There were no other declarations of interests.

### **172.3 Minutes of meeting 171 held on 23 September 2009.**

***The minutes of Finance and General Purposes (F&GP) Committee meeting 171 held on 23 September 2009 were approved.***

### **172.4 Matters arising and actions**

(Actions shown below are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of each item).

- 1 In future, names of Student Association officers would be printed next to their signatures in the Student Association accounts (171.5).
- 2 It was noted that the College Publication Scheme was on the College website and the College guide to information published by the College would be placed on the website when developed (171.5).
- 3 The NorVic income streams benchmarking report was on the agenda (171.5).
- 4 The Clerk reported that advice received via the Clerks' mailbase network was that Corporation members should check with their own car insurers whether Corporation

members required business use insurance (171.5).

- 5 The minutes of F&GP Committee meeting 160 had been released from confidentiality, as agreed (171.6).
  - 6 Redundant references to the HE franchise and Wyke Business Training had been removed from the management accounts, as agreed (171.10\_.
  - 7 The draft audited Financial Statements had been audited and the historical cost surplus reduced from £14,000 to £7,000 as the LSC would clawback £7,000 in relation to failure to achieve the College's 2008/09 adult education contract. The Financial Statements would be presented to the November 2009 meeting of the Committee (171.10).
- Action: Clerk/SR.**
- 8 The signed F&GP performance checklist would be kept with the signed minutes (171.13).
  - 9 F&GP PIs for dispatch of papers were on the agenda (171.13).

### **172.5 Student numbers and funding report**

Bill Jackson, the Director of Network and Information Systems, spoke to the student numbers and funding report for October 2009, which was discussed.

Members noted with reference to 2008/09 that:

- the submission deadline for ILR F04 would close on 18 November 2009;
- the College had already submitted one F04 ILR to the Learning and Skills Council (LSC), but would be submitting a revised version which would have a more complete set of results.

Members noted with reference to 2009/10 that:

- the first clean ILR run of the year had been carried out from the new Corero REMS student record system, which was currently running in tandem with the Mondas Resource 32000 student record system;
- the College had exceeded its funded target student numbers for 16-18 year olds numbers by a small margin i.e. 1106 against a target of 1096;
- that 29 of students enrolled were aged over 19 years at enrolment and so had now been included in the figures for adult students, noting that a number were enrolling for the second year of a course that they had begun when they were under 19;
- the census date for determining student retention was now 6 weeks' from the student's first class rather than a set date;
- the College had exceeded its LSC's Standard Learner Number (SLN) target, with 1716.68 SLNs against a target of 1676.88 SLNs, and there would be some future additional provision to add, such as General Studies, Extended Projects, enrichment programmes and progression of vocational students from National Award to National Diploma programmes which should offset any transfers which could adversely affect the current SLN total;
- the targets for Adult Learner Responsive provision were expressed purely as SLNs and the College had already exceeded its allocation by almost 20% i.e. 49.31 SLNS against an allocation of 40.89 SLNs.

It was noted in response a query from members:

- that a student was known as a co-funded student where either they or their employer paid part of the student's tuition fees (currently a minimum of 47.5% under LSC policy);
- students who were fully-funded by the LSC were students eligible for fee remission e.g. student aged 19 at enrolment and therefore regarded as an adult, nevertheless received fee remission as if they were aged 16-18 during their second year where they had been under the age of 19 when they enrolled for their first year.

***The Committee received the Student Numbers and Funding Report for October 2009 and noted that the College had exceeded its Learning and Skills Council (LSC) funded target student numbers for 16-18 year olds numbers by a small margin but its Standard Learner Number (SLN) target by a significant margin.***

### **172.6 Health and Safety Report**

The Director of Resources, Alan Woodcock, spoke to the minutes of the Health and Safety (H&S) Committee meeting held in October 2009.

Members noted in discussion that:

- that the H&S Committee minutes dealt with the arrangements for the first fire drill of the academic year;
- the College had procedures in place to deal with Swine 'flu and had provided disinfectant hand cleanser; e.g. for use in computer rooms;
- Hobson and Porter had informed the Director of resource that there had been a reportable accident on site when a sub-contractor tripped and broke his wrist;
- there were three minor accidents reported in the College Accident Book between July and September 2009;
- following staff training in the revised risk assessment system the Director of Resources was still awaiting the return of risk assessments from a number of members of staff but that it was anticipated that the assessments should be completed by December 2009;
- the College was storing an oxygen cylinder (size E, small size) on site for use by a student who suffered from migraines;
- the College would check with their insurers whether any specific declaration needed to be made concerning the storing of the oxygen cylinder on site.

**Action: SR/AW**

***The Committee considered the Health and Safety (H&S) Committee minutes for October 2009.***

### **172.7 Monthly Accounts, including review of financial performance indicators**

The Finance Manager, Steve Rogers, spoke to the management accounts for September 2009, including the key performance indicators and ratios.

Members noted in discussion that:

- the historical cost surplus was £361,400 compared to a budget of £295,900;
- both pay and non-pay expenditure were below budget;
- in the case of pay expenditure, the annual pay award, which was payable from 1 September 2009, had yet to be approved;
- trading income was £15,000 below budget, mainly attributable to potential ESOL students having problems obtaining visas under the government's new visa system;

- ESOL students did, however, continue to apply until January and it was therefore hoped that ESOL income would be closer to budget by 2010;
- with reference to the new visa system, the College procedures had recently been inspected by the Borders Agency and given an A\* rating.

***The Committee considered the management accounts for September 2009, noting that the College was currently performing ahead of budget although it was, however, too early in the year to discern any trends.***

Members discussed a paper from the Finance Manager on interest rates, noting that:

- interest rates were still relatively low and the College was paying interest of less than 1% at present;
- interest on half of the loan for the re-development project had been fixed at 4.8% from 2011;
- the Finance Manager would continue to monitor interest rates to allow a decision to be made on whether the remaining part of the loan should be fixed or remain at a variable interest rate;
- if it were decided that the remaining part of the loan should be fixed but there were likely to be penalties for any early re-payment, it could be advantageous to leave a small part of the loan unfixed;
- with reference to the loan for the Wilson Building, it was noted that the loan would end in 2014 and that the College was currently paying about £25,000 a year, most of which was capital repayments, at an interest rate of about 6%;
- the College had considered the possibility of repaying the loan on the Wilson Building but the penalties which would have been incurred meant that it would not have been advantageous to do so.

***The Committee received a report on borrowing and agreed that the Finance Manager would provide the Committee with regular reports on interest rates and the desirability of fixing a further part of the loan.***

**Action: SR**

### **172.8 NorVlc benchmarking report on college income streams**

The Finance Manager spoke to the benchmarking report on income streams of colleges within the NorVlc federation of sixth form colleges.

Members noted in discussion that:

- colleges were asked to supply details of their annual income for 2005/06 to 2007/08
- 4 of the colleges in the federation did not take part in the survey and one only provided details for 2006/07 and 2007/08;
- the results showed a wide variation in funding council recurrent grants received relating to student numbers;
- those colleges with the highest dependence on LSC, were dependent for around 95% of their income, with the lowest level of dependency around 80%;
- Wyke's dependency on LSC recurrent grant had increased from 83% in 2005/06 to 87% in 2007/08, as student numbers increased but other income had not;
- there were also wide variations in funding council non-recurrent grants (e.g. LID funds, Aimhigher funds etc), possibly attributable to local variations across LSC regions;
- there was wide variation in income from tuition and education contracts but the highest performing colleges had a high proportion of income from overseas students;
- most colleges undertook little or no activity in the area of research grants and contracts, with the one exception understood to have European Social Fund (ESF) income;

- catering income was the most common type of income under the “other income” heading but results could be distorted by whether or not catering was in-house;
- most sixth form colleges did not have the potential to generate income from non-traditional sources without affecting their core business which was 16-18 year old students;
- the Finance Manager considered that it would be useful to repeat the exercise in a few years’ time to see if anything had changed;
- NorVlc was currently establishing a Finance Director/Manager network which should enable future benchmarking e.g. in relation to procurement.

***Committee members received the NorVlc benchmarking report on income streams, concluding that it had been a useful exercise and noting that with the exception of research grants and contracts, the College appeared to have access to similar income streams to other colleges and that there appeared few other opportunities to generate income which would not impact on the College’s core business.***

#### **172.9 Verbal report on the College’s treasury management policy**

The Committee received a verbal report from the Finance Manager on the College’s treasury management policy, noting that the report was being presented to the Committee for information at the request of the Audit Committee.

***It was noted that the College’s treasury management policy was contained within the College’s Financial Regulations but that, because of the re-development project, the College currently had no funds to invest.***

#### **172.10 Summary report on the College’s insurance cover**

***The Committee received a summary report from the Finance Manager on the College’s insurance cover, noting that the report was being presented to the Committee for information at the request of the Audit Committee.***

#### **172.11 Committee Checklist for signing and performance indicators (PIs) for dispatch of agendas, minutes and papers**

The Chair signed the Committee’s performance checklist for 2008/09, which had been considered at the September 2009 meeting of the Committee.

***The Committee reviewed its performance indicators (PIs) for 2008/09, noting that while the target for dispatch of papers had not been met this was in part due to the Committee agreeing that they preferred to receive the most up to date reports even if these were dispatched after the normal deadline.***

#### **172.12 Strategic and Development Plan Report including report on property strategy**

##### **(i) Strategic Plan**

Members noted that:

- the College Self-assessment Report was being completed and noted positive outcomes in success rates and retention;
- The Vice-Principal (Performance Improvement) was updating the College Development Plan for presentation to the Curriculum & Quality Committee.

(ii) Academies and Trust Schools report

The Principal reported that:

- the expression of interest for the northern Academy was expected to be submitted to the Department for Children, Schools and Families (DCSF) shortly;
- the Principal of Sirius Academy had visited the College;
- Kelvin Hall School, Endeavour School and Sydney Smith Schools were considering their establishment as a Trust federation.

(iii) National developments

The Principal reported that:

- the DCSF had issued a letter inviting colleges to apply for designation as sixth form colleges;
- there was a response date of 21 December 2009 for the above and Corporation would formally consider designation at its meeting on 17 December 2009;
- it was understood that some tertiary colleges were considering designation as sixth form colleges.

(iv) Local developments

The Principal reported that:

- Carole White and Gary Parkinson of Hull City Council had recently visited the College;
- representatives from Hull City Council and East Riding of Yorkshire Council would attend the February 2010 meeting of Corporation.

(v) Building Schools for the Future (BSF)

The Director of Resources, Alan Woodcock, reported that:

- the re-building of Kelvin Hall School would go ahead from April 2010;
- BSF had agreed to complete the work on the gate and driveway, which had originally been due to be completed with NOF funding and the College was in discussion to ensure that this was completed to ensure that the College had a new entrance for September 2010;
- the School's redevelopment plans, including the plans for the 3-G pitch would encroach on one of the College's football pitches and the College was negotiating to ensure that in return it had use of the 3-G pitch and unlimited use of the playing fields at William Gee.

(vi) College re-development project: Oak Building

Alan Woodcock reported that:

- construction of the Oak Building remained on schedule;
- the College would be going out to tender for IT and furniture shortly, with tendering opening ceremonies expected to take place in December 2009/January 2010;
- higher than expected expenditure to date had meant that IT expenditure had been reduced and more furniture would be re-used than originally planned.

***The Committee received a progress report on strategic issues, including the College property strategy.***

**172.13 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention**

***The Principal reported that the College was planning a trip to Johannesburg, South Africa, which would involve students working on a charitable project. A***

***full risk assessment would be undertaken, as with all trips and visits, and a further report would be made to the Committee in due course.***

**172.14 Any other business**

***It was noted that there were no other items of business to be discussed.***

**172.15 Risk management – items identified at the meeting**

***It was noted that no new items of risk had been identified at the meeting.***

**172.16 Date of next meeting:** Tuesday 24 November 2009 at 4.30pm

Fiona Bagchi  
Clerk to the Corporation  
23 November 2009

**Actions arising from F&GP Committee meeting 172 held on 3 November 2009**

<b>No.</b>	<b>Action for:</b>	<b>Action:</b>	<b>Status of Actions:</b>
1	SR/Clerk	Present draft audited Financial; Statements to F&GP – <u>Nov. 2009</u>	On the agenda.
2	SR/AW	Check with insurers whether College needs to declare that has a size E oxygen cylinder on site - <u>Nov. 2009.</u>	<i>Report to be given at the meeting.</i>
3	SR	Finance Manager to give regular reports on interest rates and the desirability of fixing a further portion of the loan – <u>Nov. 2009 and ongoing.</u>	On agenda.

\* *Actions to be completed at Corporation or another Committee.*

## FINANCE & GENERAL PURPOSES COMMITTEE MINUTES OF MEETING 173 HELD ON 24 NOVEMBER 2009

- Present:** John Wilson (Chair), Jim Darmody, Mary-Rose Hardy, Mike Noddings, Richard Smith (Principal)
- Clerk:** Fiona Bagchi
- In attendance:** Management: Bill Jackson (Director of Network and Information Systems), Steve Rogers (Finance Manager), Alan Woodcock (Director of Resources)

### **173.1 Apologies for absence**

There were no apologies from Committee members. Apologies were received from Mike Rogerson, Vice-Principal (Student and Staff Support) and Ian Taylor (Vice-Principal, Performance Improvement).

### **173.2 Declarations of interest**

Mary-Rose Hardy asked for her standing declaration that she was a Councillor of East Riding of Yorkshire Council to be recorded. There were no other declarations of interests.

### **173.3 Minutes of meeting 172 held on 3 November 2009.**

*The minutes of Finance and General Purposes (F&GP) Committee meeting 172 held on 3 November 2009 were approved with the following amendment:*

- *the sentence at the top of page 3 should read “that a student was known as a co-funded student where either they or their employer paid part of the student’s tuition fees (currently a minimum of 47.5% under LSC policy)”.*

**Action: Clerk**

### **173.4 Matters arising and actions**

(Actions shown below are numbered according to their position in the action points table appended to the end of the previous minutes. The reference to the item where the action can be found in the previous minutes is given in brackets at the end of each item).

- 1 The draft audited financial statements for the year ended 31.7.09 were on the agenda (172.4).
- 2 The College’s insurers had confirmed that the fact that the College was storing a small (size E) oxygen cylinder on site would not affect the College’s insurance (172.6).

- 3 A report from the Finance Manager on interest rates and borrowing was on the agenda (172.7).

### **173.5 Student numbers and funding report**

Bill Jackson, the Director of Network and Information Systems, spoke to the student numbers and funding report for November 2009, which was discussed.

Members noted with reference to 2008/09 that:

- the end of year F05 ISR had been submitted to the Learning and Skills Council (LSC) a week ahead of deadline and confirmed the situation previously reported to the Committee i.e. that the College had achieved 106.2% of its target allocation;
- the figures in the Retention and Achievement Analysis for 2008-2009 could now be considered final.

Members noted with reference to 2009/10 that:

- the College had exceeded its learner number target for 16-18 year old students, with 1,103 against a target of 1,096 students and 1,707 Standard Learner Numbers (SLNs) against a target of 1,676.88 SLNs;
- while some transfers could affect the above figures adversely, there would also be additional provision to add e.g. General Studies, Extended Projects, enrichment programmes and progression of vocational students from National Award
- to National Diploma programmes;
- the College had exceeded its learner number target for Adult Learner Responsive provision by almost 20% (49.31 SLNs against an allocation of 40.89 SLNs).

***The Committee received the Student Numbers and Funding Report for November 2009 and noted that the College had exceeded its Learning and Skills Council (LSC) Standard Learner Number (SLN) targets for students aged 16-18 and for students aged 19+.***

### **173.6 Health and Safety Report**

***The Committee noted that the next meeting of the College's Health and Safety (H&S) Committee would take place week commencing 30.11.09 and that a report would be made to the next meeting of the F&GP Committee.***

### **173.7 Finance Matters**

(i) Monthly Accounts, including review of financial performance indicators

The Finance Manager, Steve Rogers, spoke to the management accounts for October 2009, including the key performance indicators and ratios.

Members noted in discussion:

- that the budgeted deficit for the year was £96,700;
- that after the first 3 months of the year the College was performing ahead of budget, with a historical cost surplus of £439,700 against a budgeted surplus of £357,500;
- with reference to the loan for the building project, that interest rates were still low;

- it had not been necessary to draw down a further portion of the loan for the re-development project but this would be necessary in the next few months;
- that non-pay expenditure was showing a positive variance of £49,100;
- that pay expenditure was showing a positive variance of £40,400, mainly due to the fact that pay awards due from 1.9.09 had yet to be made;
- that the support staff pay award for 2009 had now been agreed at 1.5% from 1.9.09 rising to 2.3% from 1.4.10 i.e. a cost of 1.84% over the financial year which was within the sum for the annual support staff pay award agreed by Corporation in the budget for 2009/10 approved in July 2009;
- that teaching staff award had yet to be finalised;
- the key performance indicators and ratios.

***The Committee considered the management accounts for October 2009, noting that the College was currently performing ahead of budget.***

**(ii) Draft Annual Financial Statements and Report including College accounting policies**

The Finance Manager, Steve Rogers, spoke to the Report and Financial Statements for the y.e. 31.7.09, which were discussed.

The Committee reviewed the College's accounting policies, noting that they were unchanged from the previous year.

The Committee discussed the Report and Financial Statements, together with a report from the Finance Manager on actual variances against budget:

- it was noted that the Financial Statements had now been audited by the College's financial statements auditors', Baker Tilly and that the historical cost surplus for the year was £29,000, against a budgeted deficit of £177,000;
- with reference to detailed variances, that capital grants and trading income for the year were higher than expected, non-pay expenditure was close to budget, pay expenditure was £30,000 above budget, depreciation was close to budget, interest on the loan was lower than budget.

It was noted that, the Audit Committee would also review the Report and Financial Statements on 30.11.09, with a view to informing its review of the financial statements auditors' final audit findings report and its consideration of the final regularity audit opinion, the statements on corporate governance, the responsibilities of members of the Corporation and the system of internal control.

***The Committee agreed to recommend the accounting policies at pages 21-23 of the Financial Statements for the year ended 31.7.09 to Corporation for approval.***

**Action: Clerk/Chair**

***The Committee agreed to recommend the Financial Statements for the year ended 31.7.09 to Corporation for approval.***

**Action: Clerk/Chair**

**(iii) Amendment to the Financial Regulations**

Members noted that the Finance Manager reported to the F&GP Committee annually on the need for any revisions to the College's Financial Regulations.

***The Committee agreed to recommend to Corporation for approval the following revision to the Financial Regulations: that as a result of the***

**increased use of the internet for ordering goods and services the College's petty cash limit should be increased from £100 to £150 with immediate effect.**

**Action: Clerk/Chair**

(iv) College Financial Health – letter from LSC dated 10 November 2009

The Committee reviewed the assessment for 2008/09 at its meeting on 24 November 2009, noting that:

- the LSC had confirmed the College's self-assessed grade of "Satisfactory", after allowance had been made for the effect of the College's capital development project;
- the College had responded to the following LSC queries noted in the letter i.e. a query relating to a particular line of income in the 3-year financial plans, an update on the Financial Reporting Standard (FRS) 17 position;
- the College had submitted its financial objectives to the LSC with the 3-year financial plans but the LSC had requested more specific targets, which the Finance Manager considered would be more relevant following completion of the College's re-development project.

**The Committee noted that the LSC had confirmed the College's self-assessed Financial Health category grade for 2008/09 of "Satisfactory".**

(v) Notification of Support Staff Salary Settlement

**Members noted that the following support staff pay award for 2009 had been agreed:**

- **1.5% from 1.9.09 rising to 2.3% from 1.4.10 i.e. a cost of 1.84% over the financial year;**
- **as the above award was within the budget approved in July 2009, the Chair of Corporation had authorised payment, in line with Corporation's established practice.**

(vi) Verbal update on borrowing

Members noted that:

- interest on approximately half of the loan for the re-development project had been fixed at 4.8% from 2011;
- although there had been some movement in interest rates during the year, interest rates were still relatively low and the College had been paying interest of less than 1% on the loan during November 2009.

**The Committee noted that that interest rate trends were not currently such that it would be appropriate to recommend fixing a further proportion of the loan at present but that the Finance Manager would continue to monitor rates and to report to the Committee on the desirability of fixing a further portion of the loan.**

**Action: SR/Clerk**

**173. 8 Draft Student Association Accounts for y.e. 31.7.09**

**The Committee reviewed the Student Association for the year ended 31.7.09 and agreed to recommend them to Corporation for approval.**

**Action: Clerk/Chair**

## **173. 9 Strategic and Development Plan Report including report on property strategy**

### **(i) Development Plan and Self-assessment Report**

The Principal reported that:

- it was noted that members of the Committee who were also members of the Curriculum and Quality Committee had taken part in a meeting earlier in the day to moderate the College Self-Assessment Report (SAR) for 2008/09;
- the SAR detailed the College's 2008/09 performance against the Development Plan and the latter would form one of the appendices to the SAR.

### **(ii) Local developments**

The Principal reported that:

- informal discussions had begun with the LSC and local authority concerning the College's student numbers allocation for 2010/1;
- a statement of need developed by the LSC and local authority was being discussed by local and regional representatives.

### **(iii) Academies and Building Schools for the Future report**

The Principal reported that:

- the Expression of Interest for the Northern Academy was ready for submission to the Department for Children, Schools and Families (DCSF)
- the Director of Resources was due to attend a meeting with the Building Schools for the Future (BSF) contractors, Esteem, and their consultants shortly.

### **(iv) College re-development project: Oak Building**

The Director of Resources, Alan Woodcock, reported that:

- construction of the Oak Building remained on schedule;
- the College would be going out to tender for furniture and IT equipment shortly.

***The Committee received a progress report on strategic issues, including the College property strategy.***

## **172.10 Notification of any overseas, residential or other visits the College considers should be brought to the Committee's attention**

The Principal reported that:

- the Biology Department was organising a trip to Barcelona, noting that the College regularly organised visits to the area;
- in excess of the 14 students anticipated had expressed an interest in joining the planned visit to Johannesburg which would be led by the Assistant Principal, Mark Rothery, and would involve students working on a charitable project;
- a full risk assessment was undertaken for all trips and visits.

***The Committee received a report on forthcoming overseas visits and agreed that details of the risk assessment for the planned visit to South Africa should be presented to the Committee for information.***

**Action: MR/Clerk**

**173.11 Documents from the LSC, DCSF, DIUS and other outside bodies**

*It was noted that there were no documents to be presented under this heading.*

**173.12 Any other business**

*It was noted that there were no other items of business to be discussed.*

**173.13 Risk management – items identified at the meeting**

*It was noted that no new items of risk had been identified at the meeting.*

**173.14 Date of next meeting: Tuesday 8 December 2010 at 4.30pm.**

Fiona Bagchi  
Clerk to the Corporation  
11 December 2009

**Actions arising from F&GP Committee meeting 173 held on 24 November 2009**

No.	Action for:	Action:	Status of Actions:
1	Clerk	Amended minutes of F&GP 172, as agreed – <u>Nov. 2009.</u>	Done.
2*	Clerk/Chair	Clerk: add item below to Corp. agenda – <u>Dec. 2009.</u>  Chair: recommend the accounting policies at pages 21-23 of the Financial Statements for the year ended 31.7.09 to Corp. for approval – <u>Dec. 2009.</u>	Done.  Done. Accounting policies approved at Corp. on 17.12.09.
3*	Clerk/Chair	Clerk: add item below to Corp. agenda – <u>Dec. 2009.</u>  Chair: recommend the Financial Statements for the year ended 31.7.09 to Corp. for approval – <u>Dec. 2009.</u>	Done.  Done. Financial Statements for the year ended 31.7.09 approved at Corp. on 17.12.09
4*	Clerk/Chair	Clerk: add item below to Corp. agenda – <u>Dec. 2009.</u>  Chair: recommend to Corp. for approval the following revision to the Financial Reg.s: that as a result of the increased use of the internet for ordering goods & services the petty cash limit should be increased from £100 to £150 – <u>Dec. 2009.</u>	Done.  Done. Revision to Financial Reg's approved at Corp. on 17.12.09.
5	SR	Finance Manager to give regular reports on interest rates and the desirability of fixing a further portion of the loan – <u>Dec. 2009 and ongoing.</u>	On agenda.

No.	Action for:	Action:	Status of Actions:
6*	Clerk/Chair	<p>Clerk: add item below to Corp. agenda – <u>Dec. 2009.</u></p> <p>Chair: Recommend Student Assoc. accounts for the year ended 31.7.09 to Corp. for approval – <u>Dec. 2009.</u></p>	<p>Done.</p> <p>Done. Student Association accounts for the year ended 31.7.09 approved at Corp. on 17.12.09</p>
7	MR/Clerk	<p>MR: details of the risk assessment for the planned visit to South Africa should be presented to F&amp;GP for information – <u>spring term 2010.</u></p> <p>Clerk: above item to F&amp;GP agenda - <u>spring term 2010.</u></p>	<p>Initial draft of risk assessment on Jan. 2010 F&amp;GP agenda.</p> <p>On agenda as above.</p>

\* Actions to be completed at Corporation or another Committee.