

**MINUTES of the MEETING of the FINANCE AND POLICY COMMITTEE
held at Bicton College on Monday 20 April 2009**

PRESENT:	Mr C Harvey	- Chairman
	Mr J A T Lee	- Chairman of Governors
	Dr F Harper	
	Mrs A Liverton	
	Mr D M Henley	- Principal
IN ATTENDANCE:	Miss R King	- Director of Finance
	Mr G R Copper	- Clerk to the Board of Governors
	Mr M Croker	- Learning and Skills Council
APOLOGIES:	Ms J Bashford	
	Mrs J Wymer	

RECOMMENDATIONS

- Approved a revised bank mandate
- Approved the write off of four unrecoverable student fee debts

The Chairman welcomed David Henley – Principal, and Rebecca King – Director of Finance to the meeting.

1. MINUTES

1.1 The Minutes of the meeting held on 9 February 2009 were confirmed and signed by the Chairman.

1.2 Matters Arising

Minute 1.2

The Principal reported that he had talked to Mr Varley – Clinton Devon Estates and the proposal to site an anaerobic waste digester at Bicton Farm was no longer being actively pursued.

Minute 3.4

The Principal had met the Saplings Nursery Manager and was impressed by the

efforts made to improve efficiency and quality and wished to support the continuance of the provision.

2. HUMAN RESOURCES REPORT

- 2.1** Received the Human Resources report. Noted the increased level of staff sickness absence in March which may be attributable to a virus at Bicton, but would be monitored. Four applications for voluntary redundancy had been approved and a recruitment of new staff was being controlled by the SMT with a rigorous appraisal of the need to recruit. The Vice Chairman of Governors commented on the improved quality of the report. The Chairman noted that there were a number of fixed term contracts due for review in July/August and was assured that these would be carefully looked at to establish whether the skills were still required.

3. ENROLMENTS REPORT

- 3.1** Received a report showing learner numbers and funding for 2008-9. The Director of Finance reported that the College was below the 16-18 Learner Responsive target by 190 learners, but as the LSC was still operating Plan Led Funding, no in year recovery of funding was anticipated, but the lower learner numbers were reflected in the 2009-10 funding allocation. 19+ Learner Responsive numbers were closer to target, and the College was expected to outturn within the tolerance of 3% below target and therefore no claw back of funding was expected. The Principal reported that the partnership with Learning Curve was targeted to deliver to 300 learners of which 159 were enrolled. The College could exceed the funding allocation if the target numbers were recruited and an enquiry of the local LSC had been made to establish if any additional funding was available if the College exceeded the upper tolerance of 105% of the 19+ target.
- 3.2** The College had agreed a reduction in the 16-18 Apprenticeship allocation with the LSC as it was falling short of the profile for the year. The new target was considered to be achievable. The College was however expected to over achieve the 19-24 and 25+ allocations.
- 3.3** The Train to Gain sub contract with Exeter College was expected to be on target, and there were now some enrolments on the Bicton contract and the LSC had been advised of this. A contract for 2009-10 was now anticipated. A Governor questioned whether it would be more efficient to run Train to Gain contracts with a larger partner College, and the Principal indicated that it was an area for discussion with Exeter College.

4. FINANCIAL REPORT

- 4.1** The Director of Finance presented the management accounts for the period ending 31 March 2009. The forecast outturn for 2008-9 showed an operating loss of £790k compared with the original budgeted loss of £264k. Variations from budget in income and expenditure were explained and it was reported that staffing costs were being examined in detail.

- 4.2** The Principal noted that the College residential fees were significantly higher than competitors' fees and the SMT were looking at this. The work done to improve the standard of residential accommodation was noted and the accommodation was now considered to be good.
- 4.3** The Chairman requested greater clarity over the allocation of costs to departments such as maintenance costs. The Director of Finance was looking at a more detailed cost centres based approach for budgeting purposes. The Chairman also questioned the level of use of agency staff and the Director of Finance advised that this was higher than would have been expected.
- 4.4** It was reported that HM Revenue and Customs were investigating the payment of self employed visiting lecturers. The investigation was on-going and there was a risk of problems being identified. Professional advice was being taken and the matter would be brought to the attention of the Audit Committee.
- 4.5** The Vice Chairman of Governors asked whether HE income from the University of Plymouth had been confirmed and was informed that reconciliation of student numbers between Bicton and the University was still on going. There was also a question to be resolved regarding the application of the long course premium to the first year of Foundation Degree courses.
- 4.6** Capital expenditure was £10k in March, but the College had committed to a new mobile display unit for marketing. Cash flow was slightly behind target and the College was anticipating a need for advances of funding from the LSC in May and July.
- 4.7** Received a proposal for approval for a revised bank mandate to reflect the changes to bank account signatories following the appointment of the new Principal and Director of Finance. Noted that one of the two signatories for all cheques over £10k would be signed by the Principal or Director of Finance.
- 4.8** Receive a request to write off four unrecoverable student fee debts totalling £5209.22. The write off was approved. The Chairman requested that the Director of Finance review all debts where recovery was doubtful prior to the year end.

5. RECOVERY PLAN

- 5.1** The Principal and Director of Finance provided a presentation on the Recovery Plan. Using financial information for 2007-8 available from the LSC website it was possible to benchmark Bicton against the data for 17 agricultural and horticultural colleges. A summary was circulated which provided data of student numbers, income and costs and the significant variations were highlighted. It was noted that there were some known factors to be taken into account due to differences between colleges in the description of staff and other costs. The benchmarking data provided evidence of opportunities for improving the efficiency of the College.

6. LSC FUNDING 2009-10

- 6.1** Received a paper detailing the LSC funding allocation and methodology for 2009-10. The Director of Finance reported that the further education sector had a tough funding settlement for 2009-10 with disappointing allocations for 16-18 learners. The paper showed a reduction in allocation for learner responsive 16-18 for Bicton of £211k, which reflected under recruitment in 2008-9, but the SLN (Standard Learner Number) – learner ratio had increased, closer to, but still not reflecting actual delivery in 2007-8. 19+ funding was reduced by £210k, significantly as a result of the removal of transitional funding protection of £113k. It was expected to be possible to achieve the learner numbers targets and funding allocation.
- 6.2** Employer responsive funding had also been reduced for 16-18 apprenticeships, the College was currently on target but lower carry over of students to 2009-10 was expected, although the College may be able to exceed the profile. £44k of Train to Gain funding was allocated. The overall allocation for 2009-10 was £4.689m a reduction of £514k compared to 2008-9.

7. PROPERTY STRATEGY

- 7.1** Cllr Liverton reported on the Estates Advisory Committee meeting held on 30 March 2009. The Committee had been unable to progress discussion of capital projects due the current College position and the LSC capital funding situation. The Committee had considered the opportunity for sale of the land at Woodbury Salterton. East Devon District Council officers had visited the site and considered that one field had potential for development; the other field was considered to have poor access. Due to the current economic climate the Committee recommended that the land be retained until the Property strategy could be progressed and market conditions improved.
- 7.2** The Principal updated the Committee on the latest position with LSC capital funding. The report of the review of the LSC Capital Programme by Sir Andrew Foster had found that while the programme had benefited many colleges and students the programme had been mismanaged, leading to more projects underway or fully approved than the funding available. The report recommended a needs-based rather than demand led approach with explicit priorities, which the Principal considered might provide an opportunity for Bicton to progress a Property Strategy earlier than otherwise may have been possible. The College's e-mandate submission of property details with the LSC required updating and the College would work with Exeter College on updating the Property Strategy to reflect the new capital funding environment and to anticipate collaborate working opportunities.

8. COLLABORATION WITH EXETER COLLEGE

- 8.1** The Principal reported that Grant Thornton were in College this week working on the feasibility study. Discussions between the Principal and Exeter College Principal were on going.

9. DATE OF NEXT MEETING

9.1 Next scheduled meeting Monday 29 June 2009 at 10.00 am.

Signed _____
Chairman

Date _____

ACTION ITEMS			
Minute	Action	By	When
4.8	Requested that all debts be reviewed where recovery was doubtful prior to the year end.	Director of Finance	31.7.09