

**MINUTES of the MEETING of the FINANCE AND POLICY COMMITTEE  
held at Bicton College on Monday 11 February 2008**

<b>PRESENT:</b>	Mr C Harvey	- Chairman
	Mr J A T Lee	- Chairman of Governors
	Ms J Bashford	
	Dr F Harper	
	Mrs A Liverton	
	Mrs L Twigg	- Acting Principal
<b>IN ATTENDANCE:</b>	Mr J Kelly	- Acting Director of Finance and Planning
	Mrs D West	- MI / Quality Manager (agenda items 1-3)
	Mr G R Copper	- Clerk to the Board of Governors
<b>APOLOGIES:</b>	Mrs J Wymer	

**RECOMMENDATIONS**

- Approved the write off of a trade debt and three student debts.
- Approved the full time residential fees for 2008-9.
- Recommended approval of the revised Committee terms of reference by the Board.
- Agreed to hold an additional meeting in mid/late March when indicative outcomes of the strategic options review would be available.

The Chairman welcomed Louise Twigg, Acting Principal, John Kelly, Acting Director of Finance and Resources and Debbie West, MI/Quality Manager to the meeting.

**1. MINUTES**

**1.1** The Minutes of the meeting held on 26 November 2007 were confirmed and signed by the Chairman.

**1.2 Matters Arising**

Minute 2.1

Discussions were continuing with the University of Plymouth regarding funding. The number of HE students enrolled in FTE terms was being checked by the University to confirm 2007-8 funding. The University had stated that no capital

expenditure funding was being paid for 2007-8 as this had been paid in year one of a three year agreement. The Acting Principal would clarify the agreement and the points discussed.

### Minute 2.3

The MI/Quality Manager reported that the LSC would not be increasing the College's additional learning support (ALS) funding for over delivery in 2007-8 but there may be an improvement in the level of funding in 2008-9.

### Minute 5.1

No further action had been taken on completing the job evaluation exercise and the matter was being put on hold while other matters were being given priority.

## **2. ENROLMENTS REPORT**

- 2.1 Received the enrolments report. The Acting Director of Finance and Resources stated that the overall position with LSC funded learners and funding was satisfactory. More part time LSC funded learners would commence programmes during the remainder of the year. It was noted that the College expected to exceed its ALS funding allocation, but this would be investigated as only just over half of the allocation had been used to 31 December, but the impact of ALS on learners' ability to achieve was recognised. No increase in the LSC funding allocation would be available in 2007-8 in respect of over achievement of targets.
- 2.2 The work based learning report was examined. The contract was challenging and the planning increase and the numbers of starters in 2007-8 was below target. Action was being taken to intensively market the programmes and new curriculum areas were being explored. Work was needed to develop improved progression to other courses. The MI/Quality Manager was confident that the shortfall in starters would be improved upon.
- 2.3 The HE student numbers report was received. It appeared that the College had exceeded the University target but confirmation of the numbers converted to FTEs was awaited, together with the new funding methodology.

## **3. FINANCIAL REPORT**

- 3.1 The Acting Director of Finance and Planning presented the management accounts for the period ending 31 December 2007 which had been prepared by the outgoing Director. The year to date position showed a surplus of £443K which was better than forecast due to lower costs but there was an under achievement of income. The full year outturn position could potentially be a deficit due to unbudgeted costs of temporary staff and a revised income forecast. Overall the financial position was deteriorating and the LSC had assessed the College as being in financial health category C. Four key financial risks were reported, work based learning funding, HE income, Enterprise and full cost income and, temporary staff and professional fee costs. The accounts were

considered to be very comprehensive but the figures revealed a number of issues. In the short term all areas of the College would be looked at for operating efficiency and level of return. Details were provided of the full cost and Enterprise income forecasts which had been revised downwards and some other income areas may be overstated. The issue of accounting for accruals was noted and the Chairman was keen that this be addressed to ensure reliability of information presented, even if production of the management accounts was slightly delayed. The Chairman also requested that depreciation costs be looked at again and emphasised that costs must continue to be carefully controlled.

- 3.2 Received a proposal to write off a trade debt of £3,883.13 and student debts of £10,798.34 was approved..

#### **4. INVESTMENT AND LOANS**

- 4.1 Received an update report on the borrowing strategy. The Acting Principal had written to the LSC for their approval the proposed bank borrowing agreed by the Board on 15 January 2008, and a response was awaited. The bank continued to be very supportive. A copy of an LSC letter regarding the College's 2006-7 financial outturn was tabled. The current cash flow position was better than forecast and the College was expecting to stay within the overdraft limit in the immediate future.

#### **5. FEES AND CHARGES**

- 5.1 Received the proposed full time course residential charges for 2008-9. Information was still awaited for tuition and examination fees and proposed charges would be brought to the April meeting. The proposed residential fees were approved.

#### **6. LSC GRANTS**

- 6.1 Received a report on the position with Train to Gain. The College was part of a consortium with East Devon College and Exeter College. New starts in 2007-8 were not on target and management responsibilities need to be clarified. Awareness of the Government's priorities needed to be raised among the staff. It was confirmed that action was being taken to increase the number of starters in the current year.
- 6.2 The Acting Director of Finance and Resources also reported on LSC sustainability funding. Funding of £139k was available and would be used to improve energy efficiency and monitoring of energy use within individual areas of the campus.

#### **7. HUMAN RESOURCES REPORT**

- 7.1 The Acting Principal provided a summary of recent staffing changes at senior and middle management level, and advised of the temporary arrangements to fill key posts.

7.2 The recent Ofsted care standards inspection had highlighted some procedural shortcomings which were being immediately addressed.

**8. SAPLINGS NURSERY**

8.1 The Acting Director of Finance and Resources presented the report. The issues with the viability of the nursery were summarised by the Chairman and noted that the action plan prepared by the Director of Enterprise from the business review carried out in 2006-7 and approved by the Committee had not been implemented. It was agreed that the current position was not acceptable and that the recommendations of the 2006-7 business review should be implemented.

**9. PROPERTY STRATEGY**

9.1 It was agreed to defer this item to the next meeting when further progress with the strategic options review had been made.

**10. TERMS OF REFERENCE**

10.1 The Clerk presented the draft revised terms of reference which reflected the new Committee membership model adopted from 1 January 2008. It was agreed to recommend them for approval by the Board.

**11. DATE OF NEXT MEETING**

11.1 Next scheduled meeting Monday 28 April 2008 at 10.00 am. It was agreed that the Clerk would circulate dates for an additional meeting in mid-late March, when indicative outcomes of the strategic options review would be available.

Signed \_\_\_\_\_  
Chairman

Date \_\_\_\_\_

<b>ACTION ITEMS</b>			
<b>Minute</b>	<b>Action</b>	<b>By</b>	<b>When</b>
<b>5.1</b>	Proposed tuition and examination fees for 2008-9 to be brought to the April meeting.	Clerk / Director of Finance and Planning	28.4.08

