

**MINUTES of the MEETING of the FINANCE AND POLICY COMMITTEE  
held at Bicton College on Monday 8 October 2007**

**PRESENT:** Mr C Harvey - Chairman  
Mr J A T Lee - Chairman of Governors  
Dr F Harper  
Mrs A Liverton  
Mr P Sadler - Principal

**IN ATTENDANCE:** Mr I Carlson - Director of Finance and Planning  
Mrs R Penny - Director of Human Resources  
Mr S Spiller - Director of Enterprise  
Miss J Townsend - Acting Director of Students and Learning  
Mr G R Copper - Clerk to the Board of Governors

**APOLOGIES:** Mrs J Yung

**RECOMMENDATIONS**

- Approved the HIV policy

**1. MINUTES**

**1.1** The Minutes of the meeting held on 8 July 2007 were amended in respect of Minutes 2.2 and 2.3 and signed by the Chairman.

**1.2 Matters Arising**

Minute 1.2

The Director of Finance and Planning reported that after investigation into pension schemes there was no alternative to continuing with the Teachers Pension Scheme for academic staff, but the College could offer an alternative to the Local Government Pension Scheme (LGPS) for non academic staff. However staff would need to be given the option of joining either the LGPS or a new scheme and would only join the new scheme if the benefits were perceived to be better than the LGPS.

**2. ENROLMENTS REPORT**

**2.1** The interim outturn report for 2006-7 showed full time LSC funded 16-18 year

enrolments were 20 above the LSC target and part time 5 below target. 19 + full and part time numbers were slightly below target but overall the College would exceed the funding target. No additional funding would be made available by the LSC for exceeding targets. 19+ learner funding was expected to reduce in future as funding was being transferred to private sector training providers and no college had been successful in bidding for outward collaborative provision. A Governor asked whether the College could operate as a private training provider and the Principal explained the current position with training providers in the south west.

- 2.2** Received a report showing FE student enrolments against LSC targets for 2007-8 and a supplementary report showing HE enrolments. The Principal reported that HE Foundation degree enrolments were one above the budget target but that PGCE enrolments were 19 below the budget target. The position was not expected to improve during the year. It was explained that the budget target enrolments were 80% of the student numbers agreed with University of Plymouth. The Principal reported that Bicton was one of 30 partner colleges working with the University of Plymouth and the ninth largest partner in terms of student numbers. Foundation degrees had not proved successful nationally, and most colleges had similar recruitment problems. There was perceived to be a low risk of the University pulling out of the partnership. One potential growth area was part time courses delivered through blended learning. Details of HE enrolments by course would be provided to the Education and Standards Committee.
- 2.3** The Committee noted the good FE student recruitment and the details of enrolments by course would be reported to the Education and Standards Committee. The Principal explained that the average funding generated by each full time student, currently £4,960, would increase during the year as additional qualifications were completed. The Acting Director of Students and Learning would be responsible for ensuring additional qualifications were delivered to as planned. Additional part time 19+ students would be recruited during the year as many would be enrolling on short courses. It would be possible to transfer any unused funding to the 16-19 category. It was confirmed that the College would deliver all of the additional learning support funded by the LSC. The Chairman requested a forecast outturn for future meetings. The Principal advised that some students had withdrawn from their course, but there was now an attendance monitor in place.
- 2.4** In response to a Governor's question, the Principal stated that information on where students have come from could be provided from home post code data, but information on the origins of the initial contact were not always known. The Principal commented on the future LSC funding arrangements. A new funding methodology was being introduced for 2008-9, based on the current student numbers allocation the new methodology would reduce funding by 18%. However by using the numbers actually recruited there would be no change in funding. The Principal was concerned about residential funding in respect of bursaries and learner support funds. The LSC now required evidence for residential students that a similar course was not available nearer their home. Furthermore, learner support funds could no longer be used to support food

costs but this remained a responsibility for the College to comply with the Care Standards Act. The LSC was reviewing the criteria for residential bursaries and in future this may be restricted to those enrolling on courses where animals are required. Approximately £250k of funding was at risk.

### **3. FINANCIAL REPORT**

- 3.1** Received an interim report on the financial outturn for 2006-7. The Director of Finance and Planning updated the Committee and stated that with pension adjustments now included the forecast was an outturn deficit of £267k. The College was currently overdrawn at the bank. This was estimated to bring the College into LSC financial health category C. The Chairman sought an explanation of the serious deterioration from the forecast. It was reported that staff costs were above budget due to restructuring savings not being realised, and expensive agency staff used as temporary cover for senior management vacancies. Learner support costs of £70k had been incurred which would not be funded by the LSC. Increases in irrecoverable Vat, Saplings nursery staffing and utility costs had also contributed to higher than forecast expenditure. Income for commercial work, HE and full cost course fees and LSC business development project income was below budget.
- 3.2** Some one off items were viewed as having a significant impact on the year and the Committee was advised that if unfunded learner support costs of £70k, staff cover costs of £100k, lost new business due to the Enterprise team not being in place estimated at £100k, and unfunded Additional Learner Support costs of £76k, were stripped out and the benefit of an insurance claim of £50k discounted, an outturn surplus of £89k may have resulted.
- 3.3** The Chairman of Governors said that the financial statements report will need to comment on the issues raised and the Principal stated that the information available to management on the financial position needed to be improved. The director of Finance and Planning raised an issue of inconsistency between three year financial forecast and the audited accounts concerning the treatment of creditors. It was noted that the LSC required copies of the management accounts and risk register in November.
- 3.4** The Director of Finance and Planning stated that he was concerned whether the College had the staffing to deliver new income. It was noted that there were planning issues with East Devon District Council which had delayed the provision of accommodation for some commercial work. The Council nominated Governor was particularly concerned that she had not been involved earlier in the proposals and the Chairman made it clear that he expected earlier involvement of Governors in future. The Director of Enterprise provided an update on commercial work planned but recognised that contractual procedures needed to be tightened up to prevent loss of income due to cancellations. Additional learning support spending would be controlled but was likely to overspend in 2007-8.
- 3.5** The Director of Finance and Planning explained the actions taken for 2007-8. Capital expenditure of £200,000 had been taken out of the budget, but

expenditure linked to income generation would be incurred. Budgets across the College had been reviewed and trimmed where this was realistic. The review of capital expenditure would assist the cash flow position. The cash flow forecast was now being monitored weekly and was expected to be positive by the year end. The bank was willing to restructure loans but it was preferred to manage the current position without change.

#### **4. PROPERTY STRATEGY**

**4.1** The Principal reported that the property strategy had been on hold while the East Devon College situation was being pursued, in which the College's proposal was unsuccessful. It was now intended to progress becoming the College of the Environment and to look for partnerships with the RDA, University of Plymouth and other organisations and finally with the LSC. It was not considered timely to progress an application for capital funding support while LSC intentions for provision in the region remained unclear.

**4.2** The Principal and Chairman had met with the Leader and Corporate Director for the Environment of East Devon District Council. They had been invited to look at the College estate and were keen to discuss the plans for the new East Devon town of Cranbrook where a potential new site for the College could be available. A Governor raised the question of Rolle College and asked if Bicton had registered an interest in the site. The Principal thought that the University of Plymouth were looking at planning permission to redevelop the residential sites and that Exmouth Community College was planning to take over the campus with funding arranged through Devon County Council. Exeter College's involvement seemed to have been pushed back and although Bicton had been quoted as a partner no formal approach had been received. The campus might have some possibilities for use for HE delivery by Bicton.

**4.3** The Chairman of Governors stated that the College should press ahead with the Property Strategy and that Governors should decide when sufficient information was available for the Estate Advisory Committee to hold the meeting postponed from 26 September.

#### **5. HUMAN RESOURCES REPORT**

**5.1** The Director of HR reported that data was insufficiently reliable at present to produce a formal report for the Committee and requested guidance from the Committee on their requirements. A new HR team was now in place and had significant problems to deal with issues arising from inadequate management, and costly temporary appointments and overtime which required close links with the Director of Finance and Planning to resolve. It was noted that the SMT was now specifically approving new posts.

**5.2** Six priorities had been identified, namely, job evaluation, overhauling policies and procedures, appraisal, a management development programme, new human resources management system and positioning Bicton as an employer of choice.

**6. APPROVAL OF COLLEGE POLICIES**

- 6.1** Received the draft HIV policy and the Principal reported that the College now had one student who was HIV positive. The policy was approved.

**7. ENVIRONMENT AND SUSTAINABILITY**

- 7.1** The Acting Director of Students and Learning presented a report which included the strategic aim to establish Bicton as the College of the Environment. The appointment of an Environmental and Sustainability co-ordinator was noted together with the sustainability action plan. The action being taken to increase recycling was explained.

- 7.2** The Director of Enterprise reported that the College was offering full cost courses and a series of lectures during the winter on environmental and conservation topics. The Principal added that progress was being made to develop an environmental curriculum and the College could now apply direct to QCA for accreditation of new courses.

**8. DATE OF NEXT MEETING**

- 8.1** Monday 26 November 2007 at 10.00 am

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

Date \_\_\_\_\_

<b>ACTION ITEMS</b>			
<b>Minute</b>	<b>Action</b>	<b>By</b>	<b>When</b>
<b>2.3</b>	Requested a forecast outturn on LSC funded enrolments for future meetings	Director of Finance and Planning	26.11.07
<b>4.3</b>	Progress the Property Strategy and Governors to decide when sufficient information was available for the Estate Advisory Committee to hold the meeting postponed from 26 September.	Principal and Estate Advisory Committee (with Clerk)	26.11.07

