

**MINUTES of the MEETING of the FINANCE AND POLICY COMMITTEE
held at Bicton College on Monday 8 December 2008**

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

RECOMMENDATIONS

- Recommended approval of the Financial Statements for 2007-8 to the Board.

1. MINUTES

1.1 The Minutes of the meeting held on 13 October 2008 were confirmed and signed by the Chairman. The Clerk explained that these had been marked as confidential because of references to commercial negotiations with other organisations and would be reviewed for release in the normal review of confidential items.

1.2 Matters Arising

Minute 2.4

Mr Gillespie, LSC SW Regional Director had thanked Principals for information on the problems with the Education Maintenance Allowance system. Capita were working to resolve the problems.

Minute 4.1

In response to the LSC request for more information on capital expenditure, details had been sent to Mr Croker. All but a few items related to the student

experience or cost reduction. This would be discussed at the next meeting of the Recovery Group.

Minute 5.1

The Chairman reported on discussions with Clinton Devon Estates. The Chief Executive would be writing to the Principal.

2. ENROLMENTS REPORT

- 2.1** Received a report showing full and part time learner numbers and funding for 2008-9. 16-18 enrolments were 130 below target. 19+ enrolments were 227 below target. Full time numbers were not expected to increase but there would be more part time enrolments during the rest of the year. No virement of funding between age groups was permitted in 2008-9. HE enrolments were 22 below target.
- 2.2** 16-18 Work Based Learning numbers were on target but 19+ was below target, a problem common to other providers. Schools work was likely to increase and learning support was on target. The overall impact of the learner numbers shortfall was £200-£250k. There was also a negative impact on the residential accommodation with 50 bed spaces unoccupied. The closure of Rolle College and the consequent increased availability of student accommodation locally was also a factor. Including the accommodation income shortfall the overall position was £400k down against budget.
- 2.3** Governors questioned why the College had not hit enrolment targets. Negative rumours about the future of the College during the spring and summer had been part of the reason. There was also strong competition from schools wishing to retain 16-18 students. Actions had been taken to increase numbers, including the Kick Start programme and targeting NEETs. In response to the economic situation, Train to Gain eligibility had been relaxed and there were opportunities for increased Work Based Learning students. New courses were being developed with Exeter College. The Chairman commented that the new land based diploma did not appear to have started well.
- 2.4** The Chairman stated that there would be a significant reduction in LSC funding for 2009-10 based on the reduced number of learners in the current year. The Vice Chairman asked about the marketing plan and was advised that this was being revised and would be available in January.

3. FINANCIAL REPORT

- 3.1** The Interim Director of Finance presented the management accounts for the period ending 31 October 2008. The year to date position was a loss of £108k compared with a budgeted loss of £49k. The position at the same period in 2007-8 was a loss of £172k. No cost savings to reflect reduced learner numbers and income had yet been actioned. A reduction of 8 teaching posts and 6 support staff posts would be required to bring the student/staff ratio into line. £11-12k of capital expenditure had taken place so far. Mr Croker enquired about

the cash flow forecast and was informed that this had not been prepared yet, but appeared satisfactory until the end of January. A meeting with the bank had taken place and there were no problems with the overdraft facility or bank covenants. Savings were being made on loan interest due to the reduction in base interest rates. The College was paying 1% over base.

- 3.2 The Vice Chairman reported that the full cost course programme had been discussed at the Education and Standards Committee meeting. The Principal stated that a one stop shop has been created for this work.

4. ACTION TO ACHIEVE BUDGET IN 2008-9

- 4.1 It was agreed to discuss this item with the Recovery Plan

5. RECOVERY PLAN

- 5.1 The Recovery Plan had been submitted to the LSC on 11 September, sensitivities were the closing position for 2007-8. Noted the movements in the operating situation in 2008-9 which if no action was taken would result in an estimated loss of £657k.
- 5.2 Staff savings of £135k had been achieved in July-September, and £400k savings compared with 2007-8. Further savings of £159k were being sought. Work to build on successful courses was anticipated to generate £119k. Bid writing capabilities had been improved to increase the potential to secure new business. Other potential savings were explained. The SMT was meeting the following day to agree selection of staff for redundancy. Redundancies would be looked at commencing with categories of staff. There had been some volunteers but it may not be possible to consider some of them due to operational needs. With the measures now in place the Recovery Plan target for 2008-9 should be achieved and some savings would carry forward to 2009-10.
- 5.3 The Chairman thanked the Principal and Director of Finance for preparing the action plan.

6. FINANCIAL STATEMENTS

- 6.1 The draft Financial Statements for the period 1 August 2007 to 31 July 2008 had been circulated. These had also been presented to the Audit Committee. Mr Croker questioned the statement regarding the basis of preparation of the accounts as the Recovery Plan had not yet been approved by the LSC. An amended statement would be agreed with Mr Croker and the Financial Statements Auditor. Mr Croker enquired whether the matter of the previous Principal's compromise agreement settlement had been raised under the regularity audit by the auditors. The Clerk reported that it had not. It was noted that the success rates required amendment. Subject to the amendments discussed it was agreed to recommend the Financial Statements for approval by the Board.

7. HUMAN RESOURCES REPORT

- 7.1** Received the Human Resources report. The Principal reported that overall staff numbers had reduced from 296 (191 FTE) in January 2008 to 252 (165 FTE). The number of staff leaving had reduced and turnover was currently 2.8%. The HR function was developing and production of reports had been difficult. An update on the two employment tribunal was provided.

8. PROPERTY STRATEGY

- 8.1** The Interim Director of Finance reported that a further day was needed to work on the Property Strategy before discussion with the LSC. This would be completed before the Christmas holiday. Cllr. Liverton reported that East Devon District Council officers were looking at the land at Woodbury Salterton following the advice by the College of its availability for potential development.

9. DISASTER RECOVERY PLAN

- 9.1** A summary paper had been provided for College managers. Training and testing was running behind schedule. Testing would be undertaken before the anticipated Ofsted inspection.

10. SUSTAINABILITY AND ENVIRONMENTAL REPORT

- 10.1** The Interim Director of Finance reported on the use of LSC sustainability funding. Work had been undertaken to install thermostatic radiator valves, pipe lagging and zoned heating controls. It appeared that some saving in gas consumption was resulting. Further work on the Routes and West park cabins was planned and an insulated cover for the swimming pool and had been installed. Installation of water meters was in hand which would assist in the tracing of leaks. Further investigation on the possibility of a bore hole could not progress until the leaks had been reduced.

11. DATE OF NEXT MEETING

- 11.1** Next scheduled meeting Monday 9 February 2009 at 10.00 am.

Signed _____
Chairman

Date _____

ACTION ITEMS			
Minute	Action	By	When
	No actions requested.		

