

**Minutes of the Estates and Finance Committee Meeting held on Monday 5 October
2009 at 5.30 pm in Conference Room 1, The Astral Centre**

Members present:

Ken Applegate: Corporation Member
Russell Baxter: Staff Corporation Member
Kevin Howes: Corporation Member
Bob Mee: Corporation Member
Gwen Parsons: Principal
Richard Perkins: Chair/Corporation Member/Chair from Agenda Item 2

In attendance:

Teresa Miller: Vice-Principal
Phillip Belden: Vice-Principal
Julie Roper: Head of Finance
Charles Reynolds: Clerk to the Corporation

The Clerk welcomed all present to the meeting. A special welcome was extended to Phillip Belden who was attending his first meeting.

Apologies for Absence

Apologies for lateness had been received from Bob Mee who expected to be at the meeting shortly. All other members were present.

1. Disclosures of Interest

Richard Perkins disclosed an interest with respect to Any Other Business item relating to the Kirkley Centre. His interest was in his capacity as an Officer of Waveney Community Forum.

2. Appointment of Chair for the Forthcoming Year

2.1 Chair

The Clerk called for nominations for the post of Chair. Kevin Howes nominated Richard Perkins, who accepted the nomination. This was seconded by Gwen Parsons.

The vote was unanimous in favour.

The Clerk handed the meeting to the Chair.

2.2 Vice-Chair

The Chair nominated Ken Applegate who accepted the nomination. This was seconded by Kevin Howes.

Members voted unanimously in favour.

Action

3. Minutes of the Previous Meeting

The minutes of the Estates and Finance meeting held on 29 June 2009 were agreed to be a correct record and were signed by the Chair.

4. Matters Arising and Not Agenda Items

4.1 Estates Update (previous agenda item 6)

The Clerk confirmed that he had written to Jeff Tebbutt and John Kemp on behalf of the committee to thank them for the work they had done regarding the capital project.

4.2 Management Accounts and Capital Project (previous agenda items 8 and 12)

The Clerk confirmed that letters of thanks had been sent as requested to the Contractor and Consultants who had also been asked to submit any outstanding invoices.

4.3 Finance Internal Audit Reports (previous agenda item 11.1)

The Clerk confirmed that letters of thanks had been sent to members of the Finance Team and to congratulate them on the outcome of the finance internal audit reports.

5. Correspondence

There were no items of correspondence relevant to the work of the committee.

6. Management Accounts to the end of July 2009

Presented by Julie Roper. Members were taken through the meeting paper with care. Whilst the accounts were still subject to final audit, and therefore there was still the possibility of change to the outturn, the results to date indicated an operating surplus for the 12 month period of £89,000 against a revised budget operating surplus of £271,000. The figure of £89,000 being before dealing with Property Strategy costs and exceptional staffing costs. Details were provided of the net costs re the Property Strategy and members were also advised of costs associated with College restructuring. Taking all factors into account the overall deficit for the year was £619,000.

Having set the scene Julie Roper took members through each section of the Income and Expenditure Account providing specific details of significant variances in both income and expenditure. An explanation was provided for each variation.

With respect to the income side the Chair asked whether the situation in Maritime that impacted on income, had been resolved. Responding the Principal advised that it had. The key areas of concern related to reduced income from tuition fees and charges. Background details were provided. It was stressed that, especially with respect to Maritime provision, fees had been received but there were a significant number that related to provision in 2009/2010 and therefore had had to be discounted.

With respect to expenditure once again the key variances were reviewed. Staffing costs, excluding costs of restructuring which had been dealt with as exceptional items, were reported as being under budget and had been subject to tight control. Other non pay expenses highlighted were Examinations, Administration Costs, and costs attributed to Teaching Departments. Teresa Miller advised that a significant but unavoidable administration cost had been related to Solicitors Fees. Once again details were provided.

Taking all variances etc into account the outturn had shown a surplus of £89,000 before capital project and restructuring costs were dealt with. Members' attention was also drawn to the FR517 position and it was recognised that most colleges were showing significant losses as a result of, amongst other factors, the deteriorating stock market situation.

Julie Roper took members through the detailed balance sheet, cashflow analysis, overdue debtors report and capital budget spend before finally looking at the risk register, which was to be the subject of a review, and key performance indicators.

In discussion and specifically regarding the cashflow, members agreed that it was important not to have a repeat of last year where there had been issues of profiling. There was the issue of how income would be profiled once the LSC had ceased to exist as well. Teresa Miller assured members that the cashflow was subject to continuous review. Members did note that the College was in a better position than most in that it was only dependent on the LSC for 67% of total income.

In the absence of any further questions or discussion members received the Management Accounts and thanked Julie Roper for her very detailed report. At this point Bob Mee arrived at the meeting.

7. Student Numbers 2008/09 Outturn and Update for 2009/10

Presented by Phillip Belden. With reference to 2008/09 members were advised that LSC targets had been met. Members were referred to the meeting paper and specifically section 2.1 which provided the detail both in terms of headcount and % target achievement. It was noted there would be no extra funding but also no clawback. Information was also provided on Employer Responsive provision in terms of achievement of financial targets. Members were reminded that there had, during the year, been a re-profiling of the Apprenticeship numbers raising the target at the LSCs request. Whilst this increased target had not been met the original target had been exceeded. Train to Gain had ended up very close to profile.

The Principal advised that these were maximum contract values and the College had not lost out financially as it had in previous years.

Higher Education enrolment for 2008/09 had been very close to the numbers contracted. Therefore there were no issues of concern.

Turning to the situation for 2009/10 members were provided with an additional handout which contained the most up to date data.

With respect to LSC funded provision the College was currently over profile with respect to 16-19 recruitment and well ahead of last year's position at this time for 19+ enrolments. It was reported that the LSC had requested an estimate of what the College felt its final end of year figures would be and there was the possibility of additional funding. The Principal confirmed this would be taken into account regarding negotiations for next year's targets as well.

Phillip Belden explained that, because of the economic situation there were issues re recruitment for apprenticeships. To address this potential for lost income consideration was being giving to moving some of the additional 16-18 numbers into this area through the provision of work placements and in accordance with the rules. It was stressed however that this would not involve large numbers of students.

In response to a question on possible outturn the Principal estimated a total of 1310 16-18 students. The 19+ recruitment will be very close to target at 2537. Once this figure is achieved, and as there is no possibility of extra funding, recruitment will be handled differently.

Turning to HE numbers Phillip Belden advised these to be well ahead of target. Members observed that it was helpful to see how other UCS Partners were performing. It was clear that the issue of student living accommodation would need to be addressed especially if the College wished to continue its growth of HE numbers.

Finally members reviewed the outturn figures with respect to Work Based Learning and Train to Gain for 2008/09.

Members thanked Phillip Belden for his report which was received.

8. Investment in Physical Resources for Learning (verbal report)

Teresa Miller updated members on plans for upgrading College accommodation in order to support the proposed Lowestoft VI Form College and in light of the LSC decision not to support the College's Capital Project.

There were 3 areas that needed to be improved. These were Student Services, the Learning Resources Centre and Refectory. With respect to Student Services Teresa Miller advised that during October half term there would be remodelling of the ground floor of the Horizon Centre to improve facilities and integrate the College Management Information Services. The money for this had already been agreed.

The issues of the Learning Resources Centre and Refectory were not so straight forward as the funding for the necessary work had yet to be found. What was proposed however was to structurally "strip out" the first floor of the Tower Block and turn that into the new LRC. This would have to be achieved no later than the Summer of 2010 to minimise disruption. Once relocated the space where the LRC was could then be used to expand the Refectory.

There were many issues still to be resolved, whether to be with creating space for internal moves off the first floor by moving other College provision offsite. In addition all of the plans would depend on the VI Form College going ahead. The total cost for all work was believed to be £1 million. In response to a question it was confirmed that the Risk Register took account of the issues discussed.

Members thanked Teresa Miller for her report which was received.

9. Financial Regulations Update

Again presented by Teresa Miller who asked for an amendment to the Financial Regulations to be approved. The amendment was to limit the levels of Authority for the two newly appointed Assistant Principals to the same as other Managers.

It was proposed by the Chair and seconded by Bob Mee that the amendment be made.

Members voted unanimously in favour.

10. Any other Business

10.1 Kirkley Centre Update

The Clerk advised the meeting that he had been contacted by the Chief Officer of Waveney Community Forum who had confirmed the intention to complete the purchase of the freehold of the building by the end of October, and that with minor modification, to renegotiate the lease with the College in December/January. This had been for information.

Members discussed the implications of this news for the College. It was also agreed that, just in case the purchase did not go ahead and the College remained tenant of the whole building, letters should be prepared and sent to Flagship Housing and Waveney District Council, regarding the breakout clause, in good time.

Clerk

10.2 Ofsted Visit

The Principal confirmed that Ofsted would be visiting the College for a day on 20 October 2009 as part of a review of under achievement of girls.

10.3 Key Dates

The Clerk reminded members of the training event on 6 October 2009 at the East Norfolk Sixth Form Gorleston, and College Graduation on 10 October 2009.