

Minutes of the meeting of the Finance and General Purposes Committee held on Wednesday 3rd December 2008 at 4.30 p.m. in the Deben Room, Farmhouse Business Centre at Otley College.

Present: Linda Cropley (Chair)
Martin Holmes
James Stamper
Philip Winfield

In Attendance: Bob Feltwell
Jenny Milsom
Mike Wainwright (Head of Finance)
Stephen Holley (Consultant Finance and Planning)
Arthur Hicks (Clerk)

FGP **Apologies and Welcome**

9.00 Apologies were received from, Barry FitzGerald, Jane Rabagliati, and Robin Vickers. The Chair welcomed Bob Feltwell to the meeting.

FGP **Disclosures of Interest**

9.01 There were no disclosures of Interest.

FGP **Timing of the Agenda and Items of Other Business**

9.02 The Principal advised of an additional item of business; the agenda was agreed.

FGP **Lease of Mini Buses**

9.03 Lindsay Marriott the College Transport Co-ordinator joined the meeting for this item.

Members received a report explaining that the lease on the current fleet of 3 mini buses was ending. An exercise had been undertaken in order to determine future use of the College Mini buses following which it had been determined that a minimum of 4 buses would be required. Consideration had been given to the purchase of the current fleet and compared against quotes received through a tender process involving 4 companies. Following a full discussion taking into consideration that the selected provider offered the best level of service and was also the lowest cost option **it was resolved:**

To approve the 3 year long term hire of 4 Mini buses with Anglian Willhire at a total cost of £82,368 +VAT over the 3 year period.

Lindsay Marriott was thanked for her comprehensive work on the tenders and left the meeting.

FGP **Minutes of the Previous Meeting**

9.04 The minutes of the meetings held on 8th October 2008 were received, agreed as a correct record and signed by the Chair.

FGP **Matters Arising from those Minutes**

9.05 Members were advised that all the recommendations made by the Committee were approved by Corporation at their meeting of the 22nd October 2008.

There were no matters arising.

FGP **Learner Funding 2007/08**

9.06 Stephen Holley presented the final report on Learner numbers for 2007/08. Members noted that funding targets had been achieved with minor variance between the total LSC allocation and the College out turn and that there would be no claw back of the Recurrent Grant.

The report was considered and received.

FGP **Learner Recruitment 2008/09**

9.07 Jenny Milsom presented a report on learner recruitment for 2008/09 at College and Departmental level. Members compared progress against the internal College targets contained in the report which were based on the funding information currently available and noted that full details of the Learning Aims Database (LAD) had only just been received from the LSC. The Committee were advised until such time as the LAD was updated it was not possible to fully determine whether the College has under or over recruited. Contingency plans for further recruitment were in place should this become necessary.

The report was considered and received.

FGP **Otley College Enterprises**

9.08 The Committee received for information the Directors' report and financial statements to 31st July 2008 along with the Management Representation letter for Otley College Enterprises.

The reports were received.

FGP **Consolidated Financial Statements 2007/08**

9.09 Members received the Audit Highlights Memorandum for information and were advised that, subject to agreed amendments being made, the document had been approved by Audit Committee on the 19th November 2008. The amendments requested had been made to the version of the Memorandum being received.

Mike Wainwright presented the draft Members' report and consolidated financial statements to 31st July 2008 for the College along with the Management Representation Letter to KPMG. The Committee noted a number of minor amendments to be made to the members report. Total income and expenditure for the year was discussed along with the outcome. Members were pleased to note the better than expected result.

Members noted that there were no reconciliations needed between the final accounts and the Management Accounts 2007/08 received by the Committee on the 8th October 2008. After due consideration **it was resolved:**

To:

- a) **Recommend that Corporation approve the Management Representation Letter to KPMG; and**
- b) **Recommend, subject to agreed amendments, that Corporation approve the Members' report and consolidated financial statements to 31st July 2008.**

FGP
9.10

Financial Performance Indicators

Members received a report and were advised that under Framework for Excellence the College will be assessed on financial performance against a series of Financial Performance Indicators. The Committee reviewed the format of the report along with the proposed indicators and noted that these were to be included in the monthly management accounts. Members requested for LSC targets to be included in the report in order to better measure performance **and resolved:**

To approve the Financial Performance Indicators.

FGP
9.11

Budget Review

Revenue Budget:

The Committee were advised that due to delays in the completion of the Learner Aims Database by the LSC, it had not been possible to allocate income across department heads and consequently the review of revenue budgets had not been completed. It was anticipated this situation would be resolved by early December and the budget review available for the next meeting of the Committee. It was noted that the budget review when produced, will take into consideration a fully costed 'match fit' action plan.

Capital Budget:

Members noted that further requests for Capital expenditure were also being deferred until income had been allocated. One exception was expenditure which had already been incurred in the purchase of vending machines. It had been intended to renew lease arrangements on the vending machines, however, following completion of a business case it became apparent that the payback on the vending machines was a little over one year and consequently new machines were purchased **at a cost £25,430 exclusive of VAT**. The purchase the machines through the College company meant that VAT was recoverable. After due consideration **it was resolved:**

To approve the purchase of the vending machines and to increase the amount of the Capital Budget by £25,430 to £175,430.

FGP
9.12

Management Accounts 2008/09

Mike Wainwright presented the management accounts containing details of the actual income and expenditure for the 3 months to the 31st October 2008. He gave details of the executive summary included in the accounts and the risks to income; members discussed balance sheet reserves and cash flow and noted that the current ratio figure quoted in the accounts differed from that being proposed in the earlier paper for Performance Indicators.

The Committee discussed a recommendation from the Financial Statements Auditors in respect of an accrual containing a £50k balance for staff pensions strain as a result of severances made in 2006 suggesting that if not paid this should in the future be shown in the accounts as a provision. **It was resolved:**

To approve the inclusion of the £50k balance for staff pensions in the accounts as a provision if not settled during the year ending July 2009.

FGP **Staffing Establishment**

9.13 The Committee received a paper on the staffing establishment for 2008/09 comparing departmental pay costs against budget. The variances between the original budget forecasts and the outcomes were discussed.

The report was considered and received.

FGP **Collaborative/Partnership Arrangements**

9.14 Stephen Holley presented a schedule of College partnership arrangements as defined by the LSC and set within their table of increasing risk. The majority of partnerships are within Distance Learning and are considered to be low risk by the LSC. Approval has been received for all of the programmes.

The report was considered and received.

FGP **Risk Management**

9.15 Arthur Hicks presented the High Risk Register containing the high risks associated with Finance and General Purposes and Accommodation Committees. The Committee discussed the risks.

The report was considered and received.

FGP **Financial Regulations**

9.16 Mike Wainwright presented the Fixed Asset Disposal Policy for the consideration and approval of the Committee along with the amendment to section 15.4 of the Financial Regulations allowing the Head of Finance to authorise credit notes on behalf of budget holders as long as they are subsequently authorised by the budget holder concerned. **It was resolved:**

To approve:

- a) **Fixed Asset Disposal Policy; and**
- b) **the amendment to section 15.4 of the Financial regulations.**

FGP **Any Other Business**

9.17 Philip Winfield tabled a paper giving details of the responsibilities of Stephen Holley in his temporary role as Consultant Finance and Planning.

There being no other business the meeting was closed at 6.15 p.m.

FGP **Date and Time of the Next Meeting**

9.18 The schedule of future meeting was discussed and agreed:
Wednesday 21st January 2009 at 4.30 pm
Wednesday 18th March 2009 at 4.30 pm
Wednesday 20th May 2009 at 4.30 pm

Arthur Hicks
Clerk to the Corporation
December 2008