

Plumpton College

Minutes of the Finance & General Purposes meeting held on Tuesday 17th November 2009

Present: Mike Atkinson - Governor (Chairman)
 Judy Llewellyn-Burke - Governor (Vice Chairman)
 John Evans - Governor
 Julia Hadden - Governor
 Des Lambert - Principal/Governor
 Richard Partridge - Governor

In attendance: Jenny Brooker - Clerk to the Corporation
 Geoff Gregory - Deputy Principal (Resources)
 Richard Pemble - Quality Development Manager
 Jeff Trunkfield - Governor Elect
 David Rafferty - HE Student Governor Elect
 Val Wilkinson - Director of Finance

Apologies: Jeremy Courtney

Meeting commenced: 5.10pm

Minute No.		Action by whom	Action by when
FGP/09/42	<p>Minutes of the last meeting</p> <p>The minutes of the meeting held on 15th September 2009 were agreed and signed by the Chairman.</p>		
FGP/09/43	<p>Matters Arising</p> <p>The Chairman welcomed Mr Jeff Trunkfield and Mr David Rafferty, both of whom the Corporation would be recommended to formally appoint at its next meeting.</p> <p>FGP/09/30: The LSC had advised that there might be the potential for increased ALS funding in 2010/11. The committee agreed that the College should continue to lobby for increased funding and that the Corporation should consider at its strategic workshop the timeframe within which it wished to see the ALS deficit closed.</p> <p>FGP/09/32: The importance of residential and transport funding was raised by a number of colleges at the LANDEX conference which had taken place the prior week. The Principal continued to make his concerns known to funding bodies. The low level of grant for residency, ALS and transport all impinged on learners from disadvantaged backgrounds and the Corporation would need to give consideration to this at its strategic workshop.</p> <p>FGP/09/32: The Chairman had not received a response to a letter he had sent to the Chief Executive of the LSC where he had sought a reduction in bureaucracy and highlighted that relationships with Regional LSC staff had been damaged as a</p>	<p style="text-align: right;">JKB</p> <p style="text-align: right;">JKB</p>	<p style="text-align: right;">26.01.10</p> <p style="text-align: right;">26.01.10</p>

	<p>Residential Services Working Group</p> <p>The minutes of the inaugural meeting of the Residential Services Working Group held on 3rd November 2009 were noted. The Group had considered its Terms of Reference and the College's preparation for a forthcoming inspection of under 18 residential provision. The Principal confirmed that residential and catering provision both came under the management of the Head of Student Services. The Chairman noted that the group would give consideration to the income and costs of these areas: it was desirable that the income and costs of the two activities should be segregated, but not absolutely essential.</p> <p>Agreed:</p> <p>The proposed terms of reference for the residential services working group be approved.</p>	JKB	
FGP/09/46	<p>Finance Report to 31 October 2009</p> <p>Presenting her report, Ms Wilkinson advised that the full year projection had increased to a surplus of £230k. There had been a slight increase in depreciation costs and the loan repayments were less than budget as a result of a reduction in interest rates.</p> <p>There had been efforts to ensure that any students withdrawing did so within the first six weeks of the course, or before 1 December in the case of HE students, as they would then be excluded from learner statistics. One of the main positive variances against budget this year was likely to be HE income as more students had been recruited than budgeted for and invoiced tuition fees were currently £299k above budget. The precise number of HE students was not yet clear. Unlike previous years the UoB would not necessarily provide funding for students recruited above the College's allocated number. The Committee recalled that in the context of the Corporation's strategy for continuing steady HE growth the Corporation remained comfortable with an HE over-recruitment of up to 10%.</p> <p>In response to Mr Rafferty, Ms Wilkinson advised that staff costs were targeted not to exceed 50% of the College's income over the strategic plan period and the staff to student ratio per department was a detailed calculation undertaken by the Deputy Principal (Academic & Quality).</p> <p>With regard to the cash flow position, the final capital grant payment from the LSC of £2m was due in April 2010 at which point the balance of the current revolving loan facility would be converted into a long-term loan. The committee discussed the risk of the final grant payment not being paid on time. The likelihood of this was low but the impact of the risk was high. The Chairman had written to Geoff Russell, the CEO of the LSC, seeking assurance that the grant payment would be made in full and on time, but had had no reply.</p> <p>Two £1m loans had been agreed from April 2010, one of which</p>		

	<p>was over a period of seven years and one over ten years. An additional loan would be required for the remainder of the College debt and would be over a longer period to provide financial flexibility.</p> <p>The cash flow projections included an allocation of £1m a year for the first three years for major capital projects. The January Strategic Workshop would consider the scope for further additional capital spending during the strategic plan period in the light of updated cash flows.</p> <p>Operating cash flow remained tight between November 2009 and April 2010 due to the phasing of income.</p> <p>Agreed:</p> <ul style="list-style-type: none"> (a) The finance report to 31 October 2009 be noted. (b) The Corporation give consideration at its strategic workshop to the trajectory of HE growth and the risks associated with it. (c) Ms Wilkinson to arrange a meeting with the Chairman and Mrs Llewellyn-Burke early in the New Year to discuss the detail of the loans that will be taken out in April 2010 and bring recommendations to the committee's next meeting. 	<p>JKB</p> <p>MA/DPL</p> <p>VW</p>	<p>26.01.10</p> <p>26.01.10</p> <p>02.03.09</p>
<p>FGP/09/47</p>	<p>2008-09 Statutory Accounts</p> <p>Draft accounts were tabled at the meeting. Ms Wilkinson advised that a prudent approach had been taken to reflect the Corporation's conservative accounting policies.</p> <p>An implication of the revolving loan facility and a change in the Corporation's depreciation policy was that the creditor amount was high. All additional equipment and buildings under construction had been accrued for. Further consideration was still being given to increasing the threshold for capitalisation of land and buildings, and to defining the capital/revenue treatment of modifications and refurbishments.</p> <p>In response to Mr Evans, the Chairman advised that the Corporation had responsibility for approving accounting policies and the auditors should accept these policies if they were in line with legislation and best practice.</p> <p>Ms Wilkinson provided a summary of the financial position of the pension schemes. The value of the College's assets within the LGPS had decreased substantially as a result of the global financial situation. It was not clear what actuarial assumptions had been made of longevity/mortality or future retirement age in calculating the College's LGPS liability, but it appeared that longevity was assumed to grow much less in future than in the recent past. This would need much fuller consideration by Governors next year, and greater clarity of treatment in the notes to the Accounts.</p> <p>The Teacher Pension Scheme had not had an actuarial valuation</p>		

	<p>since 2004. There was a high risk that more up to date assumptions would lead to an increase in the College's contribution rate.</p> <p>Agreed:</p> <p>(a) The following amendments be incorporated</p> <ul style="list-style-type: none"> - Footnote to be added to note 13, debtors, to clarify that debtors is capital grant debtors and not operating grant. - Footnote to be added to the note on pensions to state the number of members in each pension scheme and the date of the last full actuarial variation of the LGPS. - The removal of the statement in Note 25 that sufficient allowance for future improvement in the mortality rates had been included in the current mortality assumptions for the LGPS. <p>(b) Ms Wilkinson to forward a copy of the LGPS actuary's report to the Chairman and Mrs Llewellyn-Burke</p> <p>(c) Governors should review the accounting policies and notes to the accounts and let Ms Wilkinson have any further comments as soon as possible.</p> <p>(d) Subject to this, the 2008-09 statutory accounts be recommended for approval by the Corporation at its meeting on 15 Dec 09</p> <p>(e) The pension risks be covered in the strategic risk register; and the College consider with the Association of Colleges how best to clarify the scale of the risk to the future level of contributions under the Teachers Pension Scheme.</p>	<p>VW</p> <p>VW</p> <p>All members</p> <p>JKB</p> <p>VW</p>	<p>15.12.09</p> <p>30.11.09</p> <p>15.12.09</p> <p>ongoing</p>
FGP/09/48	<p>2008-09 Annual Members Report</p> <p>The draft 2008-09 annual members report was considered by the committee. The Chairman advised that the report was long as it provided a full account of the work of the College for management to draw on when providing information to stakeholders. It underpinned the Corporation's claim that it was transparent and deserved to operate with less regulation. It would also be used as a lobbying tool for dialogue with regulators and policy makers. Subject to a grammatical alteration to para 3.10, the committee welcomed the report.</p> <p>Agreed:</p> <p>(a) The draft report to be circulated to all members of the Corporation for comment.</p> <p>(b) The report, once approved, to be sent to LEAs and LEA staff to be invited into the College to discuss the Corporation's objectives and their own educational priorities.</p> <p>(c) A draft note for the financial statements auditor to be produced on where in the report a Casterbridge requirement was included.</p> <p>[Mr Evans left the meeting at this point].</p>	<p>JKB</p> <p>MA/DPL</p> <p>MA</p>	<p>30.11.09</p> <p>31.01.09</p> <p>19.11.09</p>

FGP/09/49	<p>Annual Review</p> <p>The College had previously produced a glossy annual review to publicise the work of the College. The committee considered a draft annual review for 2008-09 which was broadly welcomed subject to the inclusion of photographs of the College.</p> <p>Agreed: The Principal to give further consideration to the content and format of the annual review.</p>	DPL	
FGP/09/50	<p>Procurement</p> <p>The development of a procurement policy was progressing and a number of cost-saving initiatives from several organisations were being considered. It was identified that there was a volume of procurement advice available but the College should work primarily with FE Sussex and the Office of Government Commerce as they were likely to provide the most benefit.</p> <p>A fuller paper would be submitted to the committee in the first half of 2010 which would report on these developments. In the meantime Mr Gregory and the Chairman would be discussing targets for further savings beyond 2011 and metrics for measuring procurement performance in the context of the 2010 update of the strategic plan.</p>	GJG/MA	31.01.09
FGP/09/51	<p>Annual Review of Health & Safety</p> <p>Presenting the report on health and safety, Mr Gregory advised that there had been no HSE visits during the year but there had been an annual check of premises by the fire authority and visits from the College insurers, NFU. The total value of the main building had significantly increased and the College's insurance premium had been included within the budget. The College was currently insured for £10m public and employer liability.</p> <p>The Health and Safety committee now formed part of the weekly meeting of Heads of Department and significant issues had been discussed by the committee including accident reporting. Health & safety training had been provided to staff over the year including training on corporate manslaughter. A consultant was currently reviewing the College Health & Safety Policy and proposed changes would be brought to the committee for consideration.</p> <p>The Committee expressed concern about the sharply upward trend in accidents and incidents during 2008/09, and the case for their own closer oversight of this area. Subsequent to the year-end a link governor for safety had been appointed. The accident statistics showed that the majority of accidents were confined to two departments and took place in the Autumn term. The committee agreed that a risk based approach to health and safety should be taken and that the Heads of Department of areas of most risk should be encouraged to speak to their counterparts at other colleges to identify health & safety best practice and by learning</p>		

	<p>about accidents elsewhere to reduce the risks of copycat accidents at Plumpton. They welcomed the current plans of Landex to facilitate this, and expressed their appreciation to Mr Gregory for his safety work in this forum. The committee also discussed the importance of highlighting safety risks to new students at the start of the academic year.</p> <p>Agreed:</p> <p>(a) Departments with a high volume of accidents and incidents be asked to include a section on health and safety in their reports to Academic Committee including steps being taken to reduce the volume of accidents.</p> <p>(b) Consideration to be given to increasing the College's insured level of employer liability and public liability.</p>	GJG/DTS	30.11.09
		GJG	30.11.09
FGP/09/52	<p>Non Academic Self Assessment Reports</p> <p>The committee considered draft SARs for the non academic areas of the College. The final cross college SAR would be submitted to the Corporation for approval at its next meeting. It was agreed that the content of the Commercial Wine and Farm SARs would be considered in future by the Buildings & Farm Working Group and the content of the Student Services and Catering & Domestic SARs would be considered by the Residential Services Working Group. It was identified that the content of SARs had been developed primarily to provide the evidence on quality required by Ofsted. There was scope for simplifying its format but at the same time including the growth, financial, and reputational data needed to demonstrate performance and future prospects against the College's own strategic plan. In the case of the central Departments (Resources, Finance, Admin, Marketing etc) the content should focus on the performance of the Department concerned, not the resource, finance etc performance of the College as a whole.</p> <p>Agreed:</p> <p>Further work was required in the first half of next year on a major change to the format and content of SARs; and in particular to the non-academic and central Department SARs which should be circulated to governors before the end of the academic year.</p>	DTS/DPL	31.03.09
FGP/09/53	<p>Date of Next Meeting</p> <p>The next meeting would be held on Tuesday 2nd March 2010 at 5.00pm. There being no further business the meeting ended at 7.10pm.</p>		

JKB 19/11/09

Signed.....(chairman) Dated.....