

Priestley College

Minutes of the Finance and General Purposes Committee meeting
held at 4.30pm on Wednesday, 11 May 2011
in the Learning Resource Centre.

PRESENT:	Mrs Y Bottomley	Chair
	Mr G Hill	
	Mr M D Salmon	
	Mr M K Southworth	Principal
	Mr P McMellon	Clerk
ALSO IN ATTENDANCE:	Mrs J McCann	Vice Principal (Resources)
	Mr I Lewis	Director of Finance

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr D Jude.

2. DECLARATION OF INTEREST

There were no declarations of personal interest in any item on the Agenda.

3. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 9 February 2011 were accepted as an accurate record and signed by the Chair.

4. MATTERS ARISING

There were no matters arising.

5. FUNDING ALLOCATIONS FOR 2011/12 : IMPLICATIONS AND RESPONSE

The Committee had received copies of the funding allocation letters received from YPLA and SFA.

The Principal gave a presentation which provided a time-line for the financial issues which had developed and which now confronted the College and the sector. A key point was the notice (from YPLA in December 2010) of the major reduction in 'entitlement funding' grant. A reduction of approximately £1.2m was slightly off-set by other changes to allocation, leaving the College with an overall reduction of a little short of £1.0m. Of similar significance were central government decisions relating to EMAs and to higher education tuition fees.

These bleak developments had been reported in detail to all staff in College, with the Principal re-affirming the College's Mission and Values. The need to maintain a high quality core service remained of paramount importance, and staff had readily embraced the positive approach to addressing the challenges. Mr M D Salmon reported that the direct and detailed sharing of the position with staff had been widely appreciated and had tended to secure their commitment to tackling the issues.

The Principal reminded the Committee that the College's current financial position was extremely healthy, and that the College was allowed three years for the phasing in of the necessary balancing measures. The College aimed to make the most of this latter point, and, whereas a number of institutions were already effecting fairly savage reductions (to jobs and to services), a more measured and targeted response would be applied at Priestley College so as to best ensure that detriment was minimised.

The significance of student recruitment and retention was now magnified, and the College already foresaw additional challenges in recruiting at a time when central government policies (eg EMAs, H.E. tuition fees and Connexions service dismantlement) had discouraged continuation in education for many potential students. There were, inevitably, uncertainties about recruitment, but a late surge in interest and uptake remained a real possibility. The Principal outlined in more detail the current student recruitment position, and the Committee then discussed related factors including the new scheme to replace EMAs and the UTC threat.

The Principal re-iterated his determination that precipitate reductions must be avoided, and he confirmed that staff had been told that compulsory redundancies would not occur in the current year. The position would remain under close review, particularly as the student enrolment position unfolded.

Mrs J McCann (Vice Principal – Resources) then reported in more detail on the practicalities of achieving the necessary financial balance. She described the cross-College review of budgets, confirming that, although the funding reduction had centred on 'entitlement funding', the College did not intend to mirror that in its decisions on actual reductions. The tutorial and enrichment services would remain as significant components of the student experience at the College. The Committee noted that Curriculum and Quality Committee had already received a more detailed report on proposed changes to delivery of the core service and had agreed that planned reductions were appropriately targeted. She confirmed that the non-pay budgets would contribute to the reduction in expenditure, but she believed that an overall reduction in employee numbers over the next few years was virtually unavoidable.

The Committee then discussed the position, and readily endorsed the phased approach to maintaining financial balance. The Chair commended the efforts made to engage all staff in the cost-cutting measures since such commitment offered the best prospect of navigating the challenges confronting the College.

In summary, the Committee approved the basis on which College Management were approaching this extremely significant challenge.

6. CAMPUS DEVELOPMENT : BUILDING CONDITION IMPROVEMENT FUND FOR SIXTH FORM COLLEGES (2011-12) - APPLICATION

The Committee had received copies of the College's application and the YPLA allocation response.

The Principal confirmed that the BCIF had presented an unexpected opportunity, and the College's rapid response had proved to be extremely productive, with an allocation of £1,017,159 (College contribution less than £30,000) exceeding expectations. The stringent conditions of the grant – and in particular the governance approval and monitoring requirements - were noted. It was also noted that, although YPLA monies must be expended by 31 March 2012, the reality within College was that significant progress had, effectively, to be achieved by the beginning of September 2011, with the summer break offering the only window for major works. He then provided a more detailed description of the refurbishment work which AA Projects would be engaged to oversee.

The Committee congratulated College Management on securing the grant. It seemed clear that, although this did not equate to the kind of new build long identified as the optimal solution to campus development, there were, nonetheless, excellent prospects of a significant boost to key areas of the campus. The Committee noted the details on the 'Form B' return to the YPLA.

Mrs J McCann then reported on the planning implications and on the procurement issues which a completion date of September 2011 presented. She drew attention to the 'Tendering Procedures'

section of the Financial Regulations and indicated where the Governing Body's power to approve variations to the standard procedures needed to be invoked. She outlined how a two-stage tendering arrangement (with probably only two invitations to tender instead of the normal three minimum) would best serve the College.

The Committee concurred readily with the Chair's advice that, in this unique circumstance, a variation to the Financial Regulations would be appropriate and in the best interest of the College. It was noted that details of the necessary variation were still being established, and that the assurance of the College's Internal Auditor would also be secured. It was, however,

RESOLVED : That the Governing Body is recommended to approve an appropriate variation to the Financial Regulations in order that optimal value might be obtained from the BCIF grant.

Committee members undertook to assist in the application of delegated authority and/or monitoring requirements in the event that the Governing Body considered such services appropriate.

7. FINANCE REPORTS – PERIOD 6 - 8 (2010/11)

The Committee had previously received the individual monthly finance reports for January and February (Periods 6 and 7). Mr I Lewis (Director of Finance) now presented the monthly report for Period 8 (March 2011) as distributed with the agenda papers.

He confirmed that, as reported above (Item 5), the College had already commenced with expenditure reductions in anticipation of imminent financial challenges, and that this contributed to the increase in year-end surplus now forecast. With further restraint in use of the 'Contingency' budget, a final surplus in excess of £400,000 was likely. However, after due account is taken of cash-flow and financial health rating, there may be scope for bringing forward to some degree planned future expenditure, and this might off-set the year-end result.

The Committee then examined the cumulative and monthly variances reported by Mr Lewis, noting and accepting the more detailed explanations offered.

The cash-flow forecast had been adjusted to reflect the BCIF grant (Item 6 above), producing a very positive picture for the next year.

Finally, each Key Performance Indicator result was considered.

The Chair re-affirmed her view that the very healthy financial state as now reported and forecast would be invaluable when the impact of the various financial reductions materialised in due course.

RESOLVED : That the Monthly Financial Reports for Periods 6 - 8 (2010/11) are accepted.

8. YPLA COMMENTS ON FINANCIAL STATEMENTS (2009/10)

The Committee noted the re-assuring content of the YPLA's letter and commentary on the College's financial health (endorsed as 'Outstanding') for the year ended 31 July 2010.

It was noted that the Chair of the Governing Body had received a copy of the YPLA's letter.

9. FINANCIAL OBJECTIVES – ANNUAL REVIEW

Mr I Lewis drew attention to amendments to the College's Financial Objectives which College Management now recommended for 2011/12. Most of the proposed changes were of a minor nature, and no change of substance was proposed for the Key Performance Indicators.

Mr Lewis provided additional information on 'Pay Expenditure as a % of Income' in the form of a 'league table' covering 93 sixth form college (in 2009/10). The College was, at 71.98% ranked in the middle third of all colleges.

The Committee considered the recommended changes and the KPIs in the current and forecast context, and agreed with the rationale for each change proposed for the Objectives to be operated in 2011/12.

RESOLVED : That the Governing Body is recommended to approve Financial Objectives for 2011/12 as amended.

10. HEALTH & SAFETY POLICY

The Committee discussed the effectiveness of the current Policy over the last year, particularly with learner safeguarding considerations in mind. It was generally felt that sufficient prominence in the document (and its application) was given to safeguarding and that, in all other regards, the Policy was fit for purpose. It was noted that College Management were reviewing all associated documentation and that a further proposal may, in due course, be presented to the Committee. However, for the time being, it was

RESOLVED : That the Governing Body is recommended to continue with the current version of the Health & Safety Policy.

11. POLICIES REVIEWS

(i) Data Protection Policy

The Committee examined the revised version of the College's Data Protection Policy. It was noted that College Management recommended that only minimal changes were called for.

The Committee noted where different aspects of the Policy documentation cross-referenced with other policies and key documents.

RESOLVED: That the amended version of the Data Protection Policy is approved.

(ii) Access to Governing Body (Meetings and papers)

The Committee examined the proposed changes to the current document and agreed that the changes were not inconsistent with the requirements of the Instrument of Government.

It was also agreed that an explicit reference to the Committee's responsibility for periodically reviewing the document would also be appropriate.

RESOLVED : That the Governing Body is recommended to approve the amended version of the Access to Governing Body (Meetings and papers) policy.

(iii) Publication Scheme

The Committee examined the revised version of the College's Publication Scheme.

It was noted that most of the proposed changes were of minor significance, necessary only to reflect that the Scheme has now been in operation for some time. However, a change of more substance – to make explicit the College's entitlement to make reasonable charges to cover the administrative cost involved in meeting requests for information not routinely available – was discussed and accepted.

RESOLVED : That the amended version of the Publication Scheme is approved.

12. NATIONAL AUDIT OFFICE – REPORT ON VALUE FOR MONEY

The Committee had received a copy of the NAO report (23 March 2011) and related commentaries. It was noted that the unambiguously higher value for money provided by sixth form colleges (compared to, for example, schools sixth forms) was acknowledged throughout the documentation.

The Committee discussed the funding differentials at local level, noting that schools sixth form funding was still proportionally more generous than that received by the College.

13. DATE OF NEXT MEETING

It was agreed that the next meeting will be at 4.30pm on Wednesday, 29 June 2011

14. ANY OTHER BUSINESS – RESIGNATION OF CHAIR

The Chair reported that the increased demands of her employment out of the area had left her with little option other than to give the College notice of her intention to resign as a member of the Governing Body with effect from 31 July 2011.

The Committee and members of College Management received, with much regret, this news of Mrs Bottomley's decision.

PMcMellon
12 May 2011

Accepted as a true record and signed by the Chair

Signature

Date