

Brooke House Sixth Form College

Minutes of a meeting of the **F&GP Committee** held on 16 June 2009 at 1200 hrs.

Present	Richard Garrick	Sid Hughes (Chair)	Ken Warman (Principal)
In Attendance	Taiwo Adeshina (Finance Director)	Ralph Devereux (Clerk)	

26/08 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS AND APOLOGIES

- a. No notice had been received of any member becoming ineligible to hold office and the meeting was quorate.
- b. Richard Garrick had declared an indirect interest at F&GP Minute 1/07b which was extant for all corporation and committee meetings.

27/08 MINUTES OF THE LAST MEETINGS

The minutes of the meeting held on 2 April and the special confidential meetings held on the 22 April and 14 May were considered. The minutes of 2 April were amended:

- a. re 15/08 Management Accounts.
 - (i) Line 7. "Finding" was amended to "funding";
 - (ii) Line 19. The sentence was amended to read....."There was technical discussion on the treatment of funds (c£1.8m resulting from the WYG case) within the current management accounts such as the £830k settlement figure for Arbitration 1 and the £320k "costs on account" figure."
- b. There were some minor amendments both to the confidential minute and minutes of the confidential meetings;
- c. The minutes were then confirmed and signed.

28/08 MATTERS ARISING FROM THE MINUTES (AND REQUESTS FOR URGENT BUSINESS)

- a. Advice from HMRC regarding free staff breakfast was still awaited.
- b. There were no requests for urgent business.

29/08 FINANCIAL REPORT

The most recent set of accounts (April 2009) were considered and discussed. A monthly surplus of £12k against a deficit of -£104k (variance £116k) had prompted the year to date position of -£312k against budget of -£401; the expectation was that the end-of-year deficit would be broadly in line with the expected -£775 and may well be lower. Staff costs were under control and showed a positive variance of c£18k, also agency costs were expected to fall off quickly as intensive tuition had now ceased for the year (excepting vocational). Although staff restructuring costs were unlikely to be significant in the current year the external auditors could require provision in the accounts and this would be discussed with them in advance. The cash flow forecast in the accounts did not take account of the additional 55 student places recently notified by the LSC and members were referred to the forecast in the recovery plan, which included these numbers. Details of the current enrolment position were circulated and numbers for the coming year were heartening with, to date, 983 applications resulting in 565 offers; the mid-Aug 05 figure of 666 offers could well be exceeded. "Off the street" numbers stood at 459 and internal progressions of c625 could reasonably be expected. It was agreed that this was a positive development and reflected the rising reputation; the curriculum planning number was 1450 providing ample resources. Prospective students were contacted regularly with updated college news to maintain interest and 2 taster days were planned, these were agreed as vital to reinforce initial expectations. An enrolment progress report would be presented to the Standards Committee at the meeting immediately preceding the next corporation meeting. The catering contract continued to be challenging with repeated requests for an increased subsidy and some differences in interpretation of contract terms; this was in the process of resolution and could result in a change of contractor.

The information was received.

30/08 RECOVERY PLAN (Confidential Item)

31/08 BANKING TENDER

The Financial Regulations required that provision of services should be regularly subject to VFM checks, the requirement had been postponed because of the financial situation but it was agreed that it should now proceed. Collateral benefits of the process would be an assurance of willingness to advance a loan should that become necessary. A specialist company (Finn Analysis) had been commissioned to complete the process (at a fee of £4.5k), which would culminate in presentations by 3 shortlisted banks to an appointments panel including at least one corporation member; Richard Garrick volunteered and would liaise over dates with the Finance Director. The invitation to tender document and instructions to providers were circulated for information.

The information was received.

32/08 FEES POLICY

The Fees Policy for 2009/10 was considered and discussed, there were few variations from the previous year and it was recommended to the corporation for approval.

The Fees Policy was recommended to the corporation.

33/08 SMT HEALTH CARE

Provision of private health cover for the SMT had been raised and it was agreed that the Finance Director would draw all relevant information into a paper and circulate it to the committee in advance of the next meeting.

A paper considering private health care provision would be circulated to all members.

34/08 WYG ISSUE

There was nothing new to report on the WYG issue.

35/08 URGENT BUSINESS

There had been no items of urgent business agreed.

36/08 DATE OF NEXT MEETING

The next meeting would be on 4 June 2009.

30/08 RECOVERY PLAN (Confidential Item)

Since the last version of the recovery plan had been circulated notification had been received from the LSC of allocation and funding for an additional 55 student places with no current clawback provision. The additional allocation (representing c£353k) had been notified in response to an LSC invitation to request more places, 110 had been asked for and the remaining 55 may still be allocated after reconciliation of all college responses. This would ease the deficit in the current year and was welcomed as relevant to the dual aims of the recovery plan: to ease expenditure and to increase income mainly through improved recruitment. The amended plan was then circulated and discussed. The aim to reduce staffing costs to the sector norm of 70% of income was restated; the plan was predicated towards that aim and must clearly indicate a budgetary surplus by the end of the recovery period. To this end the staff restructuring programme was now established and all concerned had been notified; the redundant posts (22.8) were shared across the staff structure including senior management where the Deputy Principal and one HOD post would be discontinued and an Assistant Principal would take a year's sabbatical. There was then discussion on how best to utilise the additional c£353 income, which had provisionally been shown as staffing expenditure and it was agreed that £300k would be allocated directly to offset the budgetary deficit and that c£53k would be used for minor capital purchases and to hold as a staff costs contingency. It was then agreed that this would be shown in the accounts on the bottom line together with the exceptional £800k income to allow ready reference to the true budgetary position through the year; an explanatory note to the accounts would be added. The cash flows for the 3 years of the

plan were then considered and discussed and it was agreed that some variations in methodology would be incorporated: the creditor line would be amended to remove employer on-costs and adjusted to reflect the unpaid element of payments each month; the cash flow would then be linked to the balance sheet and the I&E statements to show the interaction between the elements.

The information was received and noted.