



Minutes of a meeting of the Finance and General Purposes Committee held on Thursday 11 February 2010 in room 3F099, York College

Present: Hilary Bainbridge (Chair)
Alison Birkinshaw
Peter Burrows
Tom Hobman
David Johnson
David Marsh

In Attendance: Trevor Armer, Director of Finance
Richard Hinde, Clerk to the Governing Body
Graeme Murdoch, Deputy Principal Quality Assurance & Support
Anne Tyrrell, Deputy Principal Resources

The meeting started at 5.05pm.

Action

10.01 Apologies for Absence / Declarations of Interest

Apologies were received from Danny Morgan. Alison Birkinshaw and Anne Tyrrell had been delayed and would be joining the meeting in due course. No declarations of interest were made.

10.02 Minutes of the Previous Meeting – 23 November 2009

The minutes and confidential minutes were approved as an accurate record and signed by the Chair.

10.03 Matters arising

a) Action Summary Sheet

The report was considered by the Committee, and it was noted that all issues had either been actioned or were in progress. It was noted that a report regarding budgets for and income generation by each College Division would be presented at the Committee's next meeting.

DF

b) Business Units Update (Room Lettings)

The Director of Finance presented a verbal update on College room lettings. Despite several initiatives, very little additional income had been generated. Discussion took place about possible reasons behind this: they included poor transport links, the fact that the majority of the catering services did not operate in the evening and the lack of availability of rooms throughout the day during term time. It was noted that many hotels actually provided their facilities free of charge and generated income on ancillary activities such as catering.

(It was agreed that agenda items 4 and 7 should be dealt with together.)

10.04 Financial Report for the Five Months Ended 31 December 2009

The Director of Finance presented the report summarising the College's financial performance in the first five months of the 2009/10 financial year. It was noted that a more up-to-date position was presented in the 2009/10 Mid Year Financial Forecast, which would be considered shortly. It was also noted that the College's performance was broadly in line with that budgeted for this point in the year.

(Anne Tyrrell joined the meeting at 5.20pm.)

10.05 2009/10 Mid-Year Financial Forecast

This item was considered as confidential for which a separate confidential minute was taken.

(It was agreed to take agenda item 12 out of order.)

10.06 Property Strategy Update

This item was considered as confidential for which a separate confidential minute was taken.

10.07 2009/10 Financial Progress Reports

a) Learner Recruitment

This item was considered as confidential for which a separate confidential minute was taken.

b) 2009/10 LSC and Other Funding Forecasts

The Director of Finance presented the report providing a summary of the latest estimate of the College's main funding streams for 2009/10, based on the information available at 2 February 2010. It was noted that this forecast indicated that the College's LSC and other learner related funding was likely to be £141,000 (0.5%) above budget. This was the figure that had been included in the College's Mid Year Forecast, although it was noted that there were a number of funding issues for 2009/10 still to be clarified. Once clarified, it was possible that the College's teaching and learning income could be £219,000 (0.8%) above budget.

c) Tutor Utilisation

This item was considered as confidential for which a separate confidential minute was taken.

d) Room Utilisation

This item was considered as confidential for which a separate confidential minute was taken.

e) Treasury Management Report

The Director of Finance presented the report summarising the College's Treasury Management activities in the five months to 31 December 2009, and it was noted that the College's interest income

in 2009/10 was forecast to be in line with that assumed in the College's 2009/10 Budget

The Director of Finance reported that he had been speaking with two cash management service firms. Whilst interest rates were so low, there was probably little benefit in engaging their services (and paying their fees). However, if interest rates began to rise then the use of such service providers could prove more beneficial. Discussion also took place about the College's current practice of only placing deposits with UK high street banks, and the possibility of starting placing deposits with European banks that satisfied the requisite standards of creditworthiness. The Committee felt that this was worth further exploration if it led to greater gains at equivalent risk.

The Finance & General Purposes Committee resolved that a representative from one of these cash management services should be invited to present briefly at a future meeting of the Committee.

DF

(David Marsh left the meeting at 6.35pm.)

f) College Business Unit Progress Report

The Director of Finance presented the report summarising the anticipated financial performance of the College's Business Units in 2009/10. Overall the financial contribution in 2009/10 was forecast to be £272,000 compared to the £242,000 anticipated in the 2009/10 Budget.

The Finance & General Purpose Committee resolved to note the report and agreed that this item should be presented to the Committee twice a year. Once at the equivalent of this meeting each year and once at the first meeting of the academic year. The latter being a review of the full preceding year.

DF/
Clerk

g) New College Project

The Director of Finance presented a verbal update and reported that following recent European cases, the HMRC had now confirmed that the Lennartz treatment of VAT would no longer be available, but that those bodies already benefiting from the scheme (such as the College) would be entitled to continue to do so.

10.09 Marketing

a) Marketing Activities 2009/10 - Update

The Deputy Principal Quality Assurance & Support (DPQA&S) presented the report summarising the key activities associated with meeting the aims of the College's Strategic Plan for 2009/10. Members noted the wide range of activities that had been undertaken across all College brands, and the importance of this

work. The DPQA&S explained that the College was no longer carrying out recruitment interviews within schools but was now carrying them all out at the College. Discussion also took place about the College's taster events and the City of York's strategic group on Information, Advice & Guidance. It was noted that North Yorkshire County Council would be implementing the Common Application Process one year ahead of the City of York where the system would not be operational until 2011/12.

Members also noted that further work was being undertaken with full-time 16-18 year olds students to gather their views on the branding of this activity. It was noted that applications to College for 16-19 provision in 2010-11 had increased by 5% and that the number of applications for HE had far exceeded the previous year.

b) International Activities Report

The Director of Finance presented the report covering the College's final out-turn for 2008/09; the main factors influencing the shortfall against the College's targets; the current position against targets in 2009/10; and activities in the current year.

It was reported that the College's International Manager had recently returned from Norway where he had received a very positive response. As a result, he believed that the College could recruit around seventy Norwegian students for 2010/11. Recruitment was also being undertaken in Saudi Arabia.

10.10 Procurement

a) Turner & Townsend Procurement Review

The Director of Finance reported that In December 2009, Turner and Townsend undertook a review of the College's procurement activities and produced the report that was considered by Members. This exercise had been funded by the Learning and Skills Council. The recommendations made in the report had been used as the basis for the College's Procurement Development Plan. Turner & Townsend had also provided some benchmark data from similar procurement reviews. This suggested that the College's procurement arrangements were fairly typical.

The Finance & General Purposes Committee resolved that it would be beneficial for this review to be carried out again in three to four years' time, to ascertain whether the College's performance had improved.

DF

b) Procurement Strategy and Development Plan

The Director of Finance presented the report with a copy of the final draft of the College's Procurement Strategy. This document had been prepared by the Procurement Development Group and had been approved by the Committee at its meeting on 23 November

2009. Attached to the Strategy was a Procurement Development Plan for the College. This detailed actions to develop the College's procurement activities and resources in line with the Strategy and in light of the recommendations from Turner & Townsend' review of the College's procurement activities.

The Finance & General Purposes Committee resolved to endorse the final draft of the College's Procurement Strategy and Development Plan, and agreed that an update report should be presented at this equivalent meeting in 2010/11.

DF/
Clerk

10.11 2009/12 Strategic Plan – Progress Update

a) Section 12: Finance

The Director of Finance presented the report detailing the implementation of the action plan associated with the Finance section of the College's 2009/12 Strategic Plan. It was noted that as at 28 January 2010, 8 out of 22 actions had been completed and a further 9 actions were partially complete. Progress was therefore said to be on track.

The Finance & General Purposes Committee resolved to note the report and agreed that in future this agenda item should be presented at the equivalent meeting in 2010/11 and at the first meeting of the academic year (as a full year review.)

DF/
Clerk

10.12 2010/11 Budget

a) Draft 2010/13 Strategic Financial Objectives

The Director of Finance presented the report providing details of the College's proposed strategic financial objectives for the period 2010/13. It was explained that these objectives were essentially those approved for 2009/12 subject to one significant difference. This was the recommendation that in the current circumstances, it may not be in the College's interests to seek in 2011/11 the 1.0% surplus necessary for 'Outstanding' financial health. It was recommended that this objective should be deferred until 2011/12, when some of the current political and funding uncertainties should have been removed. It was noted that decisions about financial objectives for 2011/12 would be taken in February 2011, when the College should be clearer about the political landscape, relationships with new funding bodies and any economic recovery.

The Finance & General Purposes Committee resolved to recommend the Governing Body to approve the College's proposed 2010/13 Strategic Financial Objectives.

DF/
Clerk

b) 2010/11 Budget Timetable

The Director of Finance presented the report outlining the timetable for the preparation, approval and confirmation of the 2010/11

College Budget, which was considered with approval by the Committee.

c) 2010/11 Funding Allocations

This item was considered as confidential for which a separate confidential minute was taken.

10.13 MIS Review – Progress Report

The Deputy Principal Resources presented the report updating on progress with the ongoing MIS Review. It was noted that the College was now starting the second stage of the Review which was still in accordance with the agreed timetable. It was noted that the staff consultation element of the process was proving very worthwhile.

10.14 Partnerships Update

a) Future Prospects

This item was considered as confidential for which a separate confidential minute was taken.

10.15 Any Other Business

None.

10.16 Date of Next Meeting

Thursday 20 May 2010 at 5.00pm in room 3F099.

The meeting closed at 7.25pm.

Signed (Chair):

Name:

Date: