

**Minutes of the Finance Committee held on Monday, 15 June 2009 at 6.15 pm in the
Conference Room, Shrewsbury Sixth Form College**

Present:

Tim Jones (Chair)

Barbara McCormack, David Pulford, Robert Rosson, Martin Ward (Principal), Dominic Wilson

In attendance:

Janet Stephens - Assistant Principal - Resources

Janet Jones - Clerk to the Corporation

Apologies For Absence: - None

43. **Declarations of Interest**

There were no declarations of interest

44. **Welcome to New Members**

The Chair welcomed Barbara McCormack and David Pulford who had been appointed to the Committee following the meeting of Full Corporation on 16 March.

Minutes

45. Resolved:

That the minutes of the meeting of the Finance Committee held on 2 March 2009 be approved as a correct record.

Matters Arising

46. **Comparison of IT Budgets (Minute 32)**

In response to a query from a member, the Principal advised on the College's strategy of replacing I.T. equipment over a 3-year period and reported that the current facilities were being monitored to ensure they were suitable for college use.

47. **Money Market Report (Resolution 34)**

The Assistant Principal – Resources reported that Lloyds TSB and Barclays Bank had confirmed that they would guarantee the College's investment up to an amount of £50,000.

2008/09 Outturn Forecast and Year to Date Accounts (Appendix 22/09)

The Assistant Principal – Resources submitted the 2008/09 outturn report including the year to date management accounts as follows:

- Commentary
- Income and Expenditure
- Balance Sheet
- Cashflow

She advised that the final outturn was anticipated to be on target and that the current variances and differences were due to factors such as receipt of late invoices.

A member asked whether the marketing budget, which had been increased by £4000, was sufficient. The Principal acknowledged the importance of marketing and advised that at the present time, the College was over- subscribed. He reported on different ways the College was marketed – such as staff going out to schools and conducting one to one interviews and the improved signage and logo to be introduced. The establishment of improved student accommodation was also an added attraction. Although not within the marketing budget, these examples all helped to promote the College.

A member referred to the Lloyds Bank deposit rate and suggested that the bank be asked to consider improving its rate.

48. Resolved:

(a) That the 2008/09 Outturn and Year to Date Accounts be approved and referred to Full Corporation.

(b) That the Assistant Principal – Resources request Lloyds Bank to consider improving its money market deposit rate.

Three- Year Financial Forecast (Appendix 23/09)

The Assistant Principal – Resources submitted the 3- year financial forecast to 2011/12 including the initial budget for 2009/10 comprising:

- Commentary
- Income and Expenditure
- Balance Sheet
- Cashflow
- Key Assumptions
- Key Performance Indicators

She also submitted a further report with amendments to the years 2010/11 and 2011/12 which included an LSC amendment in respect of Grant Uplift, indicating a decrease from 2% year on year to 1.5% from 2010/11 onwards, and reported on the implications of this on the overall budget.

In respect of the future strategy regarding accommodation, the Principal confirmed that the LSC would not be funding any new build projects in the foreseeable future. The next review of Sixth Form College buildings would be after 2010, and, as one criterion for funding improvements was likely to be the state of college estates, he emphasised the importance of carrying out a structural survey of the main building.

A member asked whether the predicted demographic dip would impact on learner numbers and future funding. The Principal advised that, although the need to robustly and actively market the College would be important in the future, at present the college was maintaining its learner numbers.

49. Resolved:

- (a) That the initial budget for 2009/10 be approved
- (b) That the capital budget for IT and furniture for 2009/10 be approved
- (c) That the amendments to years 2010/11 and 2011/12 be noted and the budgets for 2010/11 and 2011/12 be approved.
- (d) That the Three- Year Financial Forecast be referred to Full Corporation for approval.

Health and Safety Report (Appendix 24/09)

The Assistant Principal submitted for information the health and safety report for the summer 2008/09 term including the agenda and minutes of the Health and Safety Group Meeting held on 14 May.

With reference to the proposed Full Structural Survey, she reported that the quotations received had been significantly less than anticipated and advised that the lowest quotation had been received from Thomas Telford Ltd.

The Principal advised that he had recently been advised of a surveyor who specialised in buildings similar to the College's and suggested that he be approached to quote for the structural survey.

50. Resolved:

That the Health and Safety report be noted and that the Assistant Principal, Resources be asked to seek a quotation from the specialist surveyor in respect of the structural survey.

College Estates/Space Options (Appendix 25/09)

The Assistant Principal – Resources submitted a report giving a summary of estate changes for 2009/10.

In respect of the lease of 5 and 6 St Austin's Street, a member suggested that assurances be sought as to the landlord's legal obligations to provide basic facilities. The Chair also asked that the dilapidations clause be checked by the solicitor drawing up the lease on behalf of the College.

51. Resolved:

(a) That the summary of estate changes for 2009/10 be noted and that the proposal to lease 5 and 6 St Austin's Street be agreed and referred to Full Corporation for approval, together with the proposed lease terms.

(b) That the Assistant Principal – Resources, seek clarification from the solicitor acting for the College in respect of the lease as regards the landlord's obligation to provide basic facilities and on the dilapidations clause.

College Fund (Appendix 26/09)

The Assistant Principal – Resources submitted a report on the College Fund which had been requested at the last meeting.

52. Resolved:

That the report be noted and that, in future, the car park income be initially banked into the main College account and then transferred at the year end to the College Fund.

Structural Survey – Outcome of Tendering Process

(Note: This item was dealt with under Item 7 – Health and Safety Report – Resolution 50 above)

53. **Risk Management**

There were no new items of risk related to finance arising from this meeting. The Assistant Principal – Resources undertook to circulate copies of the Disaster Recovery Plan at the Full Corporation meeting on 6 July.

54. **Date of Next Meeting** – To be arranged