

**The College of West Anglia
Minutes of Finance & General Purposes Committee
Thursday, 1 October 2009, 2.00 pm - Boardroom**

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| Present | Andrew Cave | Chair |
| | Roger Almond | |
| | Peter Dixon | |
| | Derek Stringer | |
| | Roger Ward | |
| | David Pomfret | Principal |
| Attending | Richard Williamson | Executive Director of Finance and Information |
| | Nicholas Barrett | Head of Finance |
| | Hilary Reid | Clerk |

1 Apologies

None – all members present.

2 Minutes of Previous Meeting – 19 June 2009

The Minutes of the meeting of 19 June 2009 were agreed as a correct record and signed by the Chair.

3 Matters Arising

(i) Page 1 item 4 - Management Accounts

The Executive Director of Finance and Information provided an update on the current position. He advised that, excluding merger and accommodation strategy costs, but including £500k of restructure costs, the budget was approaching break-even. The impairment of some of the College's buildings had yet to be included as a further cost.

The cash position was £3m but cash flow projections were being reviewed and were indicating a marginally positive figure for next year.

(ii) Page 2 item 5 – Financial Plan

The Executive Director of Finance and Information was to meet with the LSC in early November. The LSC were concerned about the statements included in the plan. A report would be made to a future meeting. **Action: RW**

(iii) Page 2 item 8 – Insurance Levels

The Head of Finance advised that a premium of £240k had been paid. A valuation of College buildings was to be undertaken and, when complete, it was anticipated that the premium could be negotiated down.

4 Payment to Cambridgeshire Local Government Pension Scheme

The Executive Director of Finance and Information presented a paper recommending the amount to be paid to the Cambridgeshire Local Government Pension Scheme (Cambs LGPS) to finalise the transfer of Isle College employees to the Norfolk LGPS.

He reminded governors of the background to the negotiations which had taken place with both the Norfolk and Cambridgeshire schemes and explained the options presented to the College. Norfolk LGPS were now pressing for resolution.

Actuaries had provided valuations on the basis of “on-going liability” and “clean break” and in a letter to the College dated 14 September 2009 had set out the implications and possible costs for each.

Governors discussed with the Executive Director of Finance and Information the complex detail of the report and the financial considerations for the College.

In summary, the choices were:

- To opt for on-going liability for deficits in the Cambs LGPS or a clean break approach, incurring a premium of £1.2m, or
- To pay in £950k, leaving the transfer to the Norfolk LGPS under-funded by £474k (11.6%), or £1,484k as suggested by Cambs LGPS, making the transfer to the Norfolk scheme fully funded.

It was noted that, whilst discussions had been held with the Pension Funds’ officers, agreement by both sets of trustees would be required before any transaction could be formalised. If agreement was not reached, it might be necessary to re-convene a meeting of F&GP.

The Committee supported the recommendations of the Executive Director of Finance and Information to opt for the on-going liability basis, avoiding the high premium that a clean break would require; and, to pay in £950k, believed to be the minimum payment that the actuaries of the two pension schemes would accept.

Roger Ward proposed, seconded by Derek Stringer, that the Executive Director of Finance and Information be authorised to negotiate with the Norfolk and Cambridgeshire LGPS on the basis of a payment of £950k, plus or minus £50k. Agreed unanimously.

5 Alternative Workshop Facilities Progress Report

The Principal reported action taken over the summer period in preparation for the start of the new academic year. He reminded governors of the serious issues arising from the condition of the Workshop Block on the King’s Lynn Campus.

The 3376m² block provided workshop facilities for technology and art and design courses which were multi million pound income streams. The roof of the block was in a serious state of disrepair and internally the electrics were unsatisfactory.

The Principal explained that, after considering a range of options, he had concluded that the Health and Safety issues could not be quickly addressed and ruled out any potential for use of the Block in the current year. The option not to offer technology provision would have had significant consequences and two off-site locations were identified and assessed as alternative accommodation.

SMT, Chair of Governors and Vice-Chair of F&GP had been involved in the decision to offer technology provision off-site in workshops on industrial estates in King’s Lynn which, together with mobile/temporary constructions on campus, offered a potential solution at a cost of circa £400k.

Progress since that decision was taken was noted, as follows:

- Contracts signed to enter into a two-year lease for use of the Polar Systems Industrial unit on Austin Fields Industrial Estate. Additional mobile facilities rented to provide toilets, student facilities and storage. Application for change of use submitted to Planning Authority – no issues anticipated. Insurance, cleaning, security and signage put in place. The Health and Safety team temporarily extended to support full sign off of all new facilities. Use of workshop facilities anticipated from October.
- Heads of Terms signed to enter into a one year rental agreement to use the Open Road motor vehicle training centre on the Hardwick Industrial Estate. A fully inclusive fixed rental price was secured and use of the facility was in place for the start of term.
- A temporary brick workshop was erected on campus together with a brickwork portacabin. Student use from 21 September.
- Ceramics and 3 D ceramic workshops to be created through purchase and rent of two mobile facilities erected on campus. 3D ceramic student use from 5 October; ceramics circa 20 October.
- Mobile oil and gas workshop facilities purchased and installed on campus. Fitting out week commencing 28 September.
- Additional facilities had not been required to meet the needs of LDD students.

The cost for the facilities provided, currently projected to be £430k plus VAT, was not included in the 2009/10 budget and had to be covered by a contingency transfer. Mobile units and large items of equipment were to be capitalised. These and other contingency costs had reduced the budget from £1.2m to £812k.

It was noted that lease and rental agreements, if continued for a further year, would amount to £131k + VAT.

The Principal referred governors to the detail in his report which set out the steps that had been taken to assist with the development of a medium to long term strategy.

Governors noted progress to date and congratulated all the staff involved for their work, achieved within a short time-frame and with minimum disruption to students. Governors recognised that significant public relations issues could have arisen.

6 Any Other Business

The Director of Finance and Information had previously sought the permission of the Chair to introduce an item of urgent business. This item was deemed to be “Confidential”.

7 Any Other Business

None.

8 Chair’s items for briefing to Corporation

- Pension Scheme - decision

9 Date and time of next Meeting

Tuesday, 10 November 2009 at 8.30 am

The meeting closed at 3.00 pm