

**The College of West Anglia**  
**Minutes of Finance & General Purposes Committee**  
**Tuesday, 28 April 2009, 8.30 am - Boardroom**

<b>Present</b>	Andrew Cave Peter Dixon Derek Stringer Roger Ward	Chair
<b>Attending</b>	Richard Williamson Nicholas Barrett Hilary Reid	Executive Director of Finance and College Services Head of Finance Clerk

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**1 Apologies**

David Pomfret

**2 Minutes of Previous Meetings – 28 January 2009 and 10 February 2009**

The Minutes of the joint meeting with the Property Steering Group of 28 January and the meeting of 10 February 2009 were agreed as correct records and signed by the Chair.

**3 Matters Arising**

There were no matters arising.

**4 Management Accounts to 31 March 2009**

The management accounts to 31 March 2009 were presented by the Head of Finance. He apologised for the delay in issuing papers due to technical IT problems and explained that the March accounts were based on the reforecast budget and demonstrated a slightly better outcome. He highlighted the following points:

- LSC income was still being accrued to budget.
- Actual income received to date was £1.5m against a budget of £1.63m.
- The trading position showed a deficit of £470k compared to £842k in the reforecast.
- Pay and non-pay costs were better than forecast and, with the slight deficit in income, produced a variance of £369k.

Comments and questions from governors were responded to by the Executive Director of Finance, as follows:

***The need for increased maintenance funds:*** In budgeting for next year, the College was currently assuming C£750k per year capital for the maintenance costs of the College's buildings because of the delay in the building programme. A full condition assessment of the buildings was required to ensure they remained fit for purpose.

***LSC's review of capital projects:*** Information was currently being provided to the LSC for them to assess "readiness for building" and criteria against which projects would be measured and the availability of funds should become clearer in May. Non-utilisation fees for the loan were to remain in place pending further detail from the

LSC. There was no intention, currently, to change the terms of the agreement with Lloyds TSB but the situation would be closely monitored.

The Committee was supportive of the Director's actions regarding the loan facility.

**Financial Status of the College:** The financial status grading was now "satisfactory". It was hoped the College would return to break-even or slight surplus over the longer term of at least two years. There was concern that the cost of repairs to buildings would impact on that outcome.

**The current position was noted.**

## 5 Funding Data Control

The Executive Director of Finance and College Services presented a report advising improvements in controls within the MIS department and detailing the current position.

He reported that the Head of Funding post had not yet been filled and a statement of income was not yet being produced every month. However, the overall picture was that the College was much more in control. Further funding optimisation was required with links from EBS to the PICS system currently being developed so that data could be integrated. It was hoped that all Train to Gain work would be on EBS next year.

There were delays in registers reconciliation in three of the more complex faculties – Technology, Land-based and Foundation – and these were being addressed.

37% of ILR checklists had not been returned by curriculum staff. A large number of errors within ILR checklists already received had been identified and resolved.

Governors expressed the view that they were reassured that the information was under control and they wished to place on record, their appreciation of the work of Yvonne Jones, Robert Petto and their teams.

**The current position was noted.**

## 6 LSC Funding Position 2008/09

The Executive Director of Finance and College Services reported the likely out-turn for the current year. He referred governors to the tabulated statement, appended to his report, illustrating the funding position and the reconciliation, claw-back and additional funding rules published by the LSC. The following points were noted:

- 16-18 – close to target
- Adult learner responsive – likely claw-back of C£250k
- Apprenticeships – LSC would fund only up to contract value. Likely to be some unfunded apprentices
- Additional Learner Support (ALS) – there was a possible shortfall, but ALS would not be adjusted unless there was a significant variation in SLNs.
- Train to Gain(T2G)/Employer Responsive – Funding allocation cut from £2.5m to £1.5m. On this basis would over-achieve by an estimated £0.5m
- An overall potential positive variance of £477k had been reduced to nil as a result of the reduction in the T2G allocation

**The current position was noted.**

## 7 LSC Funding Position 2009/10

The Executive Director of Finance and College Services provided a summary of the 2009/10 funding allocations, as currently notified. He highlighted the following:

- 16-18 – 1.8% increase on current levels
- Adult learner responsive – cut by 25.4%
- T2G – increased from £2m this year to £3m for next year
- Apprenticeships – allocation reduced by 19.2% against a forecast over-achievement of target

Overall, there had been a cut of £300k (1.2%) in the allocation for 2009/10 compared to 2008/09. In income terms this was a marginal rise. However, the allocations were still subject to other considerations by the LSC and there were fears that the outcome would be a significant reduction in income.

The College would be challenging the reduction in apprenticeships; the SLN/learner ratio for 16-18 learners; and, the implications of the cut in adult funding on some specific groups.

**The current position was noted.**

## 8 Insurance Levels

The Head of Finance presented a paper for information and consideration detailing the College's insurance premiums, which were due for renewal. A meeting with insurers had led to an expectation that premiums would increase by 5%. He reported the steps taken to ensure insurance cover remained appropriate and that Zurich had been asked to quote two premiums – one based upon renewing the 5 year long term agreement and one without.

The Head of Finance explained that he had sought bench-marking data from other Colleges and he tabled a tabulated comparison of premiums from CoWA and St Helen's College. He raised questions for consideration by governors who requested that the Head of Finance explore the options available and that the outcomes be e-mailed to members of the Committee. **Action: NB**

**Noted.**

## 9 Review of Governance and Financial Regulations

The Executive Director of Finance and the Clerk brought to the attention of the Committee minor changes to the Governance and Financial Management Regulations identified following an annual review.

The changes were set out in schedules appended to the report. It was noted that there had been no major regulatory changes during the year which would impact on the Regulations.

**Roger Ward proposed, seconded by Derek Stringer, that the amendments to the Regulations be recommended for adoption by Corporation. Agreed.**

**10 Contracts over £100,000**

On behalf of the Principal, the Executive Director of Finance reported that certain contracts in respect of Train to Gain, together with the insurance contract, were pending.

**Noted.**

**11 Financial Statement and Financial Management and Control Evaluation (FMCE)**

A letter dated 31 March 2009 from the LSC in connection with the College's Financial Statement and Financial Management and Control Evaluation (FMCE) validating the College's submission was presented for information by the Clerk.

The LSC had concurred with the self-assessment of both the College's financial health grade and the FMCE validation as "Outstanding" for 2007/08.

**Noted.**

**12 Any Other Business**

- (i) DS: Expressed a view that further savings would have to be made beyond those outlined at the last Corporation meeting. Management concurred, adding that curriculum planning would assist the process.
- (ii) DS and PD: On leave at date of next meeting, 9 June 2009.

**13 Chair's items for briefing to Corporation**

- MIS Controls
- Governance and Financial Management Regulations
- Funding position 2009/10

**14 Date and Time of next Meeting**

The Committee agreed to defer the date of the next meeting scheduled for 9 June 2009 to Friday, 19 June 2009 at 8.30 am.

**The meeting closed at 10.20 am**