

LEEDS COLLEGE OF BUILDING

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on Wednesday 20 October 2010 at 8.00 am in Meeting Room 1.

PRESENT:

M Joyce (Chairman)
I Billyard
C Harrigan
D Hutchinson
A Iveson

IN ATTENDANCE:

D Pullein (Executive Director - Finance)
R Scanlan (Clerk to the Corporation & Executive Director – Support Services)
N Fearnside (Secretary – minutes)

**ACTION
BY AND
TARGET DATE**

1. ELECTION OF CHAIRPERSON

The Clerk asked for nominations for Chairperson for 2010/11. C Harrigan nominated M Joyce; this was seconded by I Billyard. M Joyce accepted the nomination as Chair for 2010/11.

2. DECLARATION OF INTEREST

There were no declarations of interest.

3. APOLOGIES FOR ABSENCE

There were no apologies for absence.

4. MINUTES OF LAST MEETING

The minutes of the meeting held on 20 July 2010 were accepted as a true record.

5. MATTERS ARISING

5.1 Ref Min 6
Actioned.

6. MANAGEMENT ACCOUNTS SEPTEMBER 2010

The following papers were received for September 2010:

Income and Expenditure Account
Balance Sheet
Debtors Report
Creditors Report
Cashflow Forecast

6. MANAGEMENT ACCOUNTS (continued)

Part Time Hours Analysis
Money Market Deposits
Refectory Accounts.

The following points were noted:

There were a large number of variances to the Income and Expenditure account, all of which relate to profiling issues. The Government Grant is ahead of profile due to the changes in the ER payment profile.

No problems were noted on the Key Performance Indicators. Pay as a percentage of income is very low due to high income levels for the time of year; this will increase over the coming months.

YPLA Learner SLNs are currently 936 against a target of 1,541. Learner Numbers are currently 1,159 against a target of 1,496. The SLN Ratio is currently 0.81 against a target of 1.03.

The "single pot" funding for adult learning has resulted in no SFA Learner Number or SLN targets for 2010/11. Details of the allocations in each area were shown, together with Period 2 actual. Forecast outturns will be included next month.

Details of the 16-18 Apprenticeship numbers and funding would be added to next month's management accounts.

The Income and Expenditure accounts show a good start against budgets for the year. The Balance Sheet is strong and healthy; total reserves stand at £11,325,000.

Money Market Deposits show a total of £7,514,071; however the actual figure is £5,514,071 due to a deposit of £1m with RBS being placed for three short periods within the month.

C Harrigan asked for clarification on the Debtors Report; Leeds City Council (LCC) was listed as one of the top five debtors. It was noted that this was mainly due to delays at LCC and D Pullein did not feel this was a major concern.

7. DRAFT ACCOUNTS FOR 2009/10

D Pullein presented a summary of the draft Income and Expenditure account for 2009/10, which is subject to approval by the Auditors.

D Pullein stated that two versions of the accounts have been produced, on the advice of KPMG, reporting the FRS17 in different ways (either through Income and Expenditure or through STRGL); it is yet to be decided which version will be used and advice should be available by the end of November 2010. The pension deficit is now calculated on the Consumer Price Index (CPI) and not the Retail Price Index (RPI) which has resulted in a one-off 'credit' to the accounts of £912k.

The final accounts will be signed off in December 2010.

8. RECONCILIATION BETWEEN THE SURPLUS FOR 2009/10 FORECAST IN JUNE MANAGEMENT ACCOUNTS AND THE DRAFT FINAL ACCOUNTS

D Pullein presented a reconciliation statement outlining the reasons for the surplus of £2,212m (if the CPI gain is shown through Income and Expenditure) at the end of July 2010, compared to the forecast outturn in June 2010.

The 16-18 funding had not been clawed back as previously forecast. The FRS17 figure has been recalculated on the Consumer Price Index and therefore the liability has been reduced. An underspend at the end of the year on non payroll expenditure was also a factor, together with early achievement of Apprenticeships planned for August 2010.

It was agreed that an explanation for this surplus would need to be given to staff.

D Pullein circulated a reconciliation of the FRS17 figures for information and gave a brief overview.

9. DRAFT LCB ENTERPRISES ACCOUNTS FOR 2009/10

D Pullein presented the draft LCB Enterprises Accounts for 2009/10. It was noted that LCB Enterprises had been set up through Deloittes and only a small number of transactions have been put through this company so far. A loss of (£12,337) was noted.

A letter was required from the College confirming that the College will not repay the loan given to LCB Enterprises prior to any external creditor claims being paid. This was agreed by the Committee. D Pullein would action this appropriately.

DP
14 Dec. 2010

D Pullein reported that it might be beneficial to 'trade' through the company. He agreed to investigate with Deloittes and report back at the next meeting.

DP
14 Dec. 2010

10. BUDGET TIMETABLE FOR 2010/11

The Committee noted the budget timetable for 2010/11.

11. FITCH & MOODY CREDIT RATINGS FOR SEPTEMBER 2010

Fitch and Moody's top credit ratings for September 2010 were received and noted. These ratings were issued and checked on a monthly basis. Deposits are now spread over short, medium and longer term with the maximum deposit of £1m being for 12 months. It is difficult now to find suitable counterparties. £500k needs to be moved from the Co-operative Bank.

12. COMMITTEE'S ANNUAL SELF ASSESSMENT FOR 2009/10

The Clerk presented the Committee's draft Annual Self Assessment for 2009/10, against its terms of reference.

12. COMMITTEE'S ANNUAL SELF ASSESSMENT FOR 2009/10 (continued)

Two areas for improvement were noted:

Item d) – A paper on insurance arrangements would be considered by the Committee this year.

Item o) – The Value for Money Policy would be reviewed this year.

A discussion took place regarding collaboration with other providers to ensure the best value for procurement was achieved. It was noted that through CPC various joint arrangements were being investigated.

D Pullein reported that a Value for Money review had been undertaken by KPMG to identify possible savings. Many of the recommendations had already been identified by the College but further savings can be achieved.

D Pullein reported that the re-classification of colleges as public sector organisations would mean a possible change in the date for the year end and international accounting standards would be applied earlier.

The Committee agreed the Annual Self Assessment for 2009/10.

13. ANY OTHER BUSINESS

There were no other items of business.

14. DATE OF NEXT MEETING

The next meeting is scheduled for Tuesday 14 December 2010 at 8.00am in Meeting Room 1.

Signed for Distribution:
(Chair)

Date:

Approved:
(Chair)

Date: