

LEEDS COLLEGE OF BUILDING

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting held on Tuesday 14 December 2010 at 1.00 pm in Meeting Room 1.

PRESENT:

A Iveson (Chairman)
I Billyard
C Harrigan
D Hutchinson

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. CHAIRMAN'S COMMUNICATIONS

A Iveson agreed to chair the meeting in M Joyce's absence.

2. DECLARATION OF INTEREST

There were no declarations of interest.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received from M Joyce.

4. MINUTES OF LAST MEETING

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

5. MATTERS ARISING

5.1 Ref Min 9

Actioned.

5.2 Ref Min 9

D Pullein stated that Deloitte have confirmed that there is no reason why the College could not trade through LCB Enterprises. He agreed to bring some proposals back to the next meeting.

DP
2 March 2011

6. MANAGEMENT ACCOUNTS

a) October 2010

No issues were raised with regard to the management accounts for October 2010 (previously circulated).

6. MANAGEMENT ACCOUNTS (continued)

b) November 2010

The following papers were received for November 2010:

Income and Expenditure Account
Balance Sheet
Debtors Report
Creditors Report
Cashflow Forecast
Part Time Hours Analysis
Money Market Deposits
Refectory Accounts.

The following points were noted:

Key Performance Indicators are all on target. The cash balance currently stands at £8.1 million.

YPLA Learner SLNs are currently 1,365 against a target of 1,541. Learner Numbers are currently 1,149 against a target of 1,496. The SLN Ratio is currently 1.18 against a target of 1.03.

The L01 return to the YPLA has now been submitted; this informs the College's funding allocation for next year. The allocation for next year will be reduced as the target has not been met. D Pullein and D Whitehead are currently investigating the curriculum plan to ascertain which areas had not recruited to plan. The SLN / Learner Ratio should increase next year which will offset some of the funding lost.

The YPLA 16-18 allocation for this year is £5,843,673 and actual to date is £4,979,560. It was noted that there may be no further transitional relief after 2010/11; a letter appealing against this has been sent to the YPLA but it was not anticipated that this would be successful.

The 16-18 Apprenticeship allocation is £1,934,451. The College has set an internal budget amount of £1,611,321 which is expected to be achieved. Student numbers are well down.

A column outlining the target / capacity has been included on the Apprenticeship Numbers for information.

Details of the SFA 19+ funding allocations were shown, together with Period 4 actual. No forecast outturns were available but it was anticipated that these would be included in next month's accounts.

Income targets are ahead of expectations with Train to Gain income targets being the only area of concern. Meetings are taking place regularly with the OSAT Manager and various initiatives are being implemented to hopefully improve recruitment.

16-18 Learner Numbers are down on target for 2010/11 and compared to the same point in 2009/10. The 16-18 funding allocation is currently paid regardless of delivery and will not affect 2010/11 income. However, it is a real concern for 2011/12 as these numbers will inform the allocation process.

6. MANAGEMENT ACCOUNTS (continued)

b) November 2010 (continued)

Some qualifications are not yet on the Qualifications and Credit Framework (QCF) and it is therefore difficult to estimate income correctly. It is anticipated that this will be resolved for December's Management Accounts.

The Income and Expenditure account shows a good start against budgets for the year. There is a large variance on tuition fees which is due to Team Education invoices not yet being issued; this is being progressed. The Balance Sheet is strong and healthy; total reserves stand at £10,479,000.

The Debtors report shows that currently £5,642 of bad debts have been written off. There were no issues to note on the Creditors report.

The cashflow forecast currently stands at £8,199,023, with 174 cash days in hand. The long term cashflow forecast was noted.

The part time hours analysis shows some variances and these are currently being investigated.

Money Market Deposits show a total of £6,518,199. A discussion took place on the merits of placing deposits for a fixed period of 12 months to secure better interest rates. However, it was agreed that the current policy would be retained.

The Refectory Accounts were noted.

7. TUITION FEE LEVELS FOR 2011/12

D Pullein presented the proposed tuition fee structure for 2011/12. Previously the College has calculated tuition fees by dividing courses into bandings according to the guided learning hours but this has not addressed the issue of reaching the Government's desired 50% contribution to fees. It is proposed to raise the cost of courses which currently charge a tuition fee to 70% of the 50% contribution; with courses that currently have no fee moving to a standard tuition fee equivalent to 30% of the 50% contribution made by the SFA.

Changes to fee remission categories are also being introduced by the Government which will result in more people having to pay fees.

It was acknowledged that increasing tuition fees may lead to lower recruitment and could cause difficulties for some students / employers, however instalment facilities (up to 3) would be made available.

Members felt that other options, such as discounts for early payment or discounts for students progressing on to higher levels should be investigated as incentives. This would be discussed further with the Marketing & Communications Manager.

The proposed tuition fee structure for 2011/12 was agreed and recommended to the Corporation, subject to the above being taken into consideration.

DP
14 December
2010

8. SKILLS FUNDING AGENCY LETTER ON THE ASSESSMENT OF THE COLLEGE'S FINANCIAL HEALTH

The College's three year financial plan was submitted to the Skills Funding Agency (SFA) and subsequently the financial health grade has been assessed as Outstanding.

The Committee noted the letter from the SFA confirming the College's financial health as Outstanding.

9. COLLEGE INSURANCE ARRANGEMENTS

D Pullein reported that the Committee's annual Self Assessment had identified the need to review the College's insurance arrangements. D Pullein asked what information the Committee required and it was felt that a review of the actual levels of cover should be carried out. It would be helpful if benchmarking information was available.

It was agreed that D Pullein would investigate this further with insurers and a paper would be presented at the next meeting for consideration.

DP
2 March 2011

10. HEALTH & SAFETY REPORT

R Scanlan presented a summary of the Health, Safety & Environment Annual Report for 2009/10.

There had been a decrease of 5% in the number of reported injuries; together with a reduction in the number of persons required to attend A&E and the number of RIDDOR injuries. Eye injuries still account for a high percentage of injuries and justified the introduction and strict compliance of eye protection.

Monitoring of dust and fumes has taken place in Plastering, Brickwork, Joinery and Welding (arc). Appropriate control measures have been introduced and regular monitoring will take place.

As part of the Safeguarding Action Plan a review of Work Experience has taken place. A slight change in Policy resulted from this review. Personal risk assessments for students are now in place and 62 personal Health & Safety risk assessments were carried out in 2009/10 and distributed to the appropriate people.

There are sufficient numbers of first aiders in place and College Evening Duty officers also undertake Emergency First Aid at Work certificates.

Waste Management in vocational areas has undergone changes to support recycling efforts. A colour coded system has been introduced for trade waste.

Changes in British Safety Council auditing requirements resulted in changes to the College's internal audit / assessment of Health & Safety. The new Health & Safety Q&A observations will contribute to the evidence required to maintain the OHSAS 18001 certification.

It was noted that at the recent Ofsted Inspection the College received an Outstanding grade for Health & Safety.

11. UPDATE ON PROPERTY MATTERS

R Scanlan gave a brief update on property matters.

Following the last meeting of the Corporation, an informal offer of £425k per acre has been made through the agents for the site at Black Bull Street. The agents did feel that this offer was too low; if necessary a revised offer could be made following risk assessment. No feedback has yet been received.

R Scanlan had been informed that Gladedale, the company who owned the land, could be in Administration; this was yet to be confirmed.

It was noted that a further submission would need to be made to the Skills Funding Agency to purchase this land. It was noted that outline planning permission would be required prior to any permission being given.

R Scanlan suggested that it may be worthwhile contacting Alistair Grindley of LSIS for advice (he was previously Head of Property for the SFA).

Following discussion it was agreed that R Scanlan would progress matters as appropriate.

It was noted that R Scanlan and I Billyard were also meeting another party this week to discuss other potential opportunities.

12. FITCH & MOODY CREDIT RATINGS FOR NOVEMBER 2010

Fitch and Moody's top credit ratings for November 2010 were received and noted.

13. ANY OTHER BUSINESS

13.1

D Pullein gave a brief update with regard to Landsbanki. A creditors meeting of the winding up board had taken place, however they had not looked at individual claims and had rejected any late claims.

LOGOS has therefore been instructed to progress this further on the College's behalf. Members would be kept updated as appropriate.

13.2

C Harrigan requested that an update on external funding opportunities was given at every F&GP meeting. D Whitehead would be asked to action this.

DP/DW
2 March 2011

14. DATE OF NEXT MEETING

The next meeting is scheduled for Wednesday 2 March 2011 at 8.00 am in Meeting Room 1.

Signed for Distribution:
(Chair)

Date:

Approved:
(Chair)

Date: