

# New College Telford

## Finance and General Purposes Committee

**Tuesday 2 June 2009**  
**Minutes**

**Present:** Mr D Hopkins (Chairman)  
Dr R Hargreaves  
Mr G Clark  
Mr A Pickerin  
Mr M Crowson (Part)

**In attendance:** Mrs B Tyley  
Mr P Taylor (Clerk)

### **1 Apologies**

None. The Chairman welcomed Mr Pickerin to his first meeting of the Committee.

### **2 Confirmation of Minutes**

The minutes of the Finance and General Purposes Committee of 3 March 2009 were confirmed.

### **3 Declarations of Interest**

None.

### **4 College Planning and Development**

Mr Clark introduced the report (copy in minute book) for the Committee, explaining that it provided an overview of College planning and development and an update on the external environment and College funding. He began by providing a summary of the report's contents and key issues before considering the main features of each section in turn.

On the **External Environment – LSC** he reported on the difficulties being encountered and uncertainties generated in the period of transfer of LSC planning and funding responsibilities to other bodies.

He referred to the well publicised shortfall in LSC capital funding and the uncertainties surrounding allocations. He referred also to the potential underspend in the Building Schools for the Future (BSF) programme. In response to questions and comments from Mr Hopkins and Mr Crowson, he confirmed that BSF funding is available to schools only, and that the potential for securing LSC capital funding for

new large scale projects is extremely limited. However he commented that emerging funding conditions might not operate to the disadvantage of New College if a more modest proposal was involved. Mr Crowson stressed the importance of having a developed proposal available to take advantage of such funding as becomes available. Mr Clark noted the shortfall in 'train2gain' funding, and described its significance for other colleges, and the issuing, rescinding and re-instating of LSC 16-18 allocations.

On **External Environment – Telford & Wrekin 14-19 Developments**, Mr Clark reported on the progress of redevelopment plans at Abraham Darby and Madeley Court schools. He also noted the plans to adopt Trust status in a number of 11-16 schools in the area. He briefed the Committee on the participation of New College in preliminary discussions with schools considering Trust status including Wrockwardine Wood, Phoenix and Sutherland schools. In respect of the latter school, Mrs Tyley reported on the potential for the appointment of a staff member with duties at both New College and Sutherland school. She confirmed that any work undertaken at the Sutherland would be at no cost to the College.

On **External Environment – College Representation**, Mr Clark referred to the useful representation work being undertaken by the Sixth Form Colleges Forum and Association of Colleges.

On **College Funding 16-18 Learners**, Mrs Tyley summarised the latest 16-18 funding allocation from the LSC which for 2009/10 shows a £474,127 increase over that for 2008/09, a rise of 8.5%. She described the various factors underpinning the increase including the incorporation of funding for additional learners, and increases in the national rate, college provider factor and additional support. Members of the Committee who had previously expressed some concern over the potential use of the 'provider factor' were gratified to hear that its link to success rates had led to its favourable application for the College.

On **College Funding – Adults**, Mrs Tyley summarised the allocation for 2009/10, noting that it had been reduced by £14,808 from that in 2008/09 representing a reduction of 9%. She set out the basis of the funding allocation and noted that consequently there will be very little scope for offering funded part-time adult programmes in 2009/10 and there will be a reduction in the total number of College adult learners.

On **learndirect**, Mr Clark and Mrs Tyley described the current provision made under contract with UFI from the Learning Point in the Telford Town Centre library. Mrs Tyley reported to the Committee the results of the College appeal against the notification of learndirect contract termination on or before 24 July 2009. She noted that she had received preliminary oral notification that the College appeal had been partly successful in that it would be awarded £45,000, a significant reduction on the

£66,000 previous total. She added there was currently no scope for replacing the funding shortfall from other sources. In debate on the matter Dr Hargreaves and Mr Hopkins commented that the College had supported learndirect, and could see the valuable contribution it made. However, they would not wish to see it becoming a financial burden for the College to bear. The Committee acknowledged that the apparent partial success of the appeal (formal confirmation was awaited) did not necessarily make the learndirect provision tenable.

After further debate and having considered the information set out in the report in the section on **Staffing**, the Committee resolved as follows:

To support the plans set out in the report to implement the College Employment Protection Scheme consequent upon the closure or reduction of the College's learndirect provision should it prove necessary in the light of the funding to be made available from UFI.

Members also supported the proposal to consider potential volunteers from elsewhere in the College, subject to the usual affordability criteria.

On **Organisational Development**, Mr Clark summarised the recent changes including the creation of three new Areas of Learning, and the extension of the role of Mrs Vingoe. Mr Clark also reported on the retirement of the Assistant Principal Teaching and Learning, Rob Mason. In debate Mr Hopkins and Dr Hargreaves questioned whether the reduction in the senior management team as a result of Mr Mason's retirement would add to the existing pressures on the Principal and Vice Principal. In response, Mr Clark commented that taken together, the changes had afforded the opportunity to develop management potential from amongst existing staff, with the intention of enhancing the College's management capacity. Mr Clark also summarised the functions of the internal College committees.

On **Accommodation**, Mr Clark and Mrs Tyley suggested the College would need to rethink its approach to accommodation in the light of the LSC's funding difficulties, and rather than concentrate upon a major development of the King Street site, focus instead on a smaller scale project coherent with a plan for a longer term full development of the site. Mrs Tyley described the possible nature of such a project and its broad timing and costs. She referred members to the proposed stages of the design and cost consultancy work set out in the report. She noted that the first two stages had already been budgeted for, and that the College would be provided with a costed solution at the end of each stage with an option to proceed further. Mr Crowson and others supported the intention of making progress with College accommodation as soon as practicable, with developments that link into longer term plans.

The Committee resolved to receive the report.

## **5 Management Reports to 31 April 2009**

Mrs Tyley introduced the reports (copies in minute book) for the Committee explaining that they comprised the income and expenditure report and balance sheet for the period August 2008 to April 2009 together with a commentary.

She noted that the historic cost position shows a surplus of £78,416, an improvement of £96,911 against the profited deficit of £22,095. She reviewed the major reasons for the variances set out in detail in the report, and drew members' attention to the Key Performance Indices and the indicative financial health category of 'A'.

## **6 Budget 2009/10 and Three Year Financial Plan to 2011/2012**

Mrs Tyley introduced the report (copy in minute book), commenting that it covered the forecast outturn for 2008/09 and the three year plan and included the budget summary for 2009/10. She summarised the main features of the forecasts and planning assumptions underpinning them.

She characterised the revised three year financial plan as a positive one, although there remained considerable uncertainty beyond 2010. The revised plan presented historic cost surpluses of: 2009/10 - £48k; 2010/11 - £43k; and 2011/12 - £74k.

In debate on the budget and three year plan, Dr Hargreaves and others commented favourably on the retention of pay costs as a proportion of income below the 75% maximum target. Members also noted the assumed numbers of 16 -18 full time students in 2009/10 and beyond, and acknowledged that the trend in student numbers is difficult to predict in a changing and competitive external environment. Mrs Tyley provided an account of the forecasts for 'non LSC income' and 'other income' set out in the body of the report and appended tables. After further questions and satisfactory responses on matters of detail in the report, the Committee resolved as follows:

1. To receive and note the forecast outturn for 2008/09;
2. To commend the 2009/2010 budget and three year plan set out in the report to the Corporation for approval; and
3. To confirm that category 'A' financial status has been retained.

## **7 Date of Next Meeting**

The next meeting of the Finance and General Purposes Committee will take place at 5.30pm on Tuesday 22 September 2009.