

MOULTON COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the Finance and General Purposes Committee Meeting held on Thursday 24th November 2011

Part 1

Present: Mr R Thompson (in the Chair), Mr C Barney, Mr S Davies,
Mr J Gaggini and Mr P Heygate

In Attendance: Mr G Davies, Mr J Mair and Mr M Wilkinson

11/184 Apologies for absence (agenda item 1)

Apologies were received from Mrs C Boardman.

11/185 Declarations of interest (agenda item 2)

Mr Heygate declared an interest as a supplier to the College.

11/186 Minutes of the meeting held on 24th October 2011 (agenda item 3, paper A)

The minutes were accepted as a true and correct record.

11/187 Matters Arising (agenda item 4)

There were no matters arising.

11/188 New Developments – Progress Report (agenda item 5)

a) Student Social Centre (paper B)

The financial report was discussed. Good progress was being made and completion was due on 20th January, although the block paving on the access road was unlikely to be finished as this could not start until building work was completed. It should still be possible to open the building by February study week. A check would be made on the weight of vehicles which could use the block paving. Novation of the contract had been completed and the final payment was due on 1st December. Following discussion, *the report was noted*.

b) Sports Therapy and Injury Rehabilitation Centre (paper C)

The financial report was discussed. Commissioning of equipment was being carried out and faults rectified. Completion was due on 12th December. The Manager and Assistant Manager were in post. The Assistant Manager was involved in the commissioning and the building would not be accepted until he was fully trained. Security arrangements would be reviewed. Following discussion, *the report was noted*.

c) Refurbishment of Main Site – Stewart House (paper D)

There were no financial changes to report. Handover had been accepted. Some snagging would be carried out when the College was closed. A non-compliance certificate had been issued and liquidated damages would be claimed. Following discussion, *the report was noted*.

d) Refurbishment of Main Site – new Registry (paper E)

There were no financial changes to report. Meetings would be held with the 2

lowest tenderers on 25th November, prior to seeking full Board approval to award the contract on 30th November. Following discussion, *the report was noted*.

e) Slurry storage

The work would go out to tender and a planning application would be submitted next week. The list of contractors to be invited to tender was discussed. Soil testing had shown that the construction cost would be lower if the lagoon was sited in Clump field rather than Tank Field. Work had started on diverting roof water into the existing storm drains. Following discussion, *the report was noted*.

11/189 University Technical College (agenda item 6)

A meeting had been held with the DfE and PfS (Partnership for Schools) and actions to be taken had been identified. The PfS had appointed a consultant to carry out a review of sites in Daventry which may provide better value for money. The report was awaited. The interim trustees had met and decisions had been made about appointing other trustees. The University and the lead employer would have 6 of the appointments to the board of 11 members. The College could appoint 5, including a parent governor. The choice of lead employer would be decided by the trustees. A meeting with the DfE on 1st December would firm up the support arrangements during the pre-opening stage. The Baker Dearing Trust had asked for a charitable donation of £10,000. This would be discussed by the interim trustees. It will be necessary to decide on the College's nominees to the trust. Following discussion, *the report was noted*.

11/190 AquaFund (agenda item 7)

ADSM, a water efficiency company, had approached the College to join AquaFund, a grant aided project which aimed to make efficiencies and cost savings in water use. They would install extra meters, monitor water use and advise on savings. In return, they would receive 50% of the savings for the next 5 years. Savings were monitored monthly, based on average levels of use and charged accordingly. However, the College's water use was uneven. Feedback from another college had not been particularly positive. Following discussion, *it was agreed not to join the scheme but instead to carry out work independently, possibly using a consultant in the initial stages*.

11/191 Commercial enterprise report – Farm (agenda item 8, paper F)

The report was discussed. Each enterprise had been evaluated in gross margin terms. Fixed costs were now being examined in more detail. The use of consultants was discussed. It was hoped to reduce this in future. Following discussion, *the report was noted*.

11/192 Draft Operating Statement 2011-12 (agenda item 9, paper G)

The statement had been cross-referenced to the Strategic Plan. All incomplete items from 2010-11 had been carried forward where still relevant. Following discussion, *the Operating Statement was approved for recommendation to the Board*.

Gerald Davies left the meeting.

11/193 Management Accounts for October 2011 (agenda item 10, paper H)

The accounts were discussed. The surplus to date was £31,115 over the budget. Problems with the government LIS (Learner Information Suite) software had

made it difficult to obtain an accurate estimate of FE income. The College rated Good under the Framework for Excellence and the new financial health scoring for 2011-12, which was expected at this stage. The possibility of fixing some interest rates on borrowing was discussed. Following discussion, *the accounts were approved and it was agreed to fix interest rates on a proportion of the borrowing for 10 years.*

11/194 Quarterly consolidated accounts (agenda item 11, paper I)

The accounts were discussed. Levels of trading were as expected. Following discussion, *the report was noted.*

11/195 Quarterly budget update (agenda item 12)

The first quarter update was due this month. However, problems with the government LIS software made it difficult to confirm the FE income accurately. This had a knock-on effect on staffing and materials budgets. The budget update would therefore be brought to next month's meeting instead. Following discussion, *the report was noted.*

11/196 College financial health (agenda item 13, paper J)

The SFA had agreed with the College's self-assessment of its financial health of Outstanding in all years of the latest 3 Year Financial Forecast. Following discussion, *the report was noted.*

11/197 Draft annual accounts (agenda item 14)

a) Moulton College (paper K)

The surplus for the year was £764,000 less than in 2009-10 although the 2009-10 figures had been upwardly distorted by £733,000 following a change in LGPS benefits which affected the FRS17 adjustment. The 2010-11 outcome had been in line with the underlying surplus for 2009-10. Following discussion, *the accounts were approved for recommendation to the Board.*

b) Thomas Harrison Trust (paper L)

Income of £3,003 had been received. The funds had been in fixed-term cash deposits with the Bank of Scotland, producing a very low return. The new investment strategy was about to be implemented. Following discussion, *the accounts were approved for recommendation to the Board.*

c) Moulton College Developments Ltd (paper M)

These accounts would be approved by the Board of Directors in January. Turnover had fallen due to a decrease in building activity compared to the previous year. A loss of £49,532 had been recorded after payment of a deed of covenant to the College. Following discussion, *the draft accounts were noted.*

d) Moulton Trading Ltd (paper N)

These accounts would be approved by the Board of Directors in January. Turnover had increased during the year. The deed of covenant of £12,367 had reduced the profit to zero. Following discussion, *the draft accounts were noted.*

e) Lineobject Ltd (Paper O)

These accounts would be approved by the Board of Directors in January. A profit had been recorded following the sale of some old equipment. However, there

was a taxable loss once the first year allowances on the new equipment were included. Following discussion, *the draft accounts were noted.*

f) Janet Strang Memorial Trust (paper P)

These accounts had been approved by the Trustees in October. A loss of £266 had been recorded for the year. The investment income had been very low and the investment strategy had recently been changed. Following discussion, *the accounts were noted.*

11/198 HE places (agenda item 15)

A bid had been submitted to HEFCE for a share of the additional 20,000 places on offer for 2012-13. Awards would be based on previous performance. The bid had been for 140 places but the offer had been 80% over-subscribed. Any additional places gained would allow the College to make efficiency gains and there would be no resource implications. Following discussion, *the report was noted.*

11/199 Recruitment 2012-13 (agenda item 16, paper Q)

The first report for 2012-13 was discussed. It was too early to identify any trends although HE applications were higher than last year against a 9% decrease nationally. Following discussion, *the report was noted.*

11/200 Fees 2012-13 (agenda item 17, paper R)

The proposed fees were discussed. It was proposed to increase the campus fee and stop charging caution money for non-resident students. Problems always arose during the refund process for the campus fee which damaged the reputation of the College. The proposed fee for an MSc was higher than that charged by the University and this may be revised. Following discussion, *the fees were approved for recommendation to the Board.*

11/201 Term dates (agenda item 18)

a) 2012-13 (paper S)

It was proposed to amend the start date to 1 week earlier in September. This would fit better with the University's year. Most FE colleges started in early September. Following discussion, *the amended dates were approved for recommendation to the Board.*

b) Term dates 2013-14 (paper T)

These dates followed the same pattern as the amended dates for 2012-13. However, as Easter was late, there would be 2 long terms and 1 short one. Following discussion, *the dates were approved for recommendation to the Board.*

11/202 Meeting dates 2012-13 (agenda item 19, paper U)

Following consultation it was proposed to have one Quality and Standards meeting per term to improve the monitoring of performance. Other dates followed the usual pattern. Following discussion, *the dates were approved for recommendation to the Board.*

Jamie Mair left the meeting.

11/203 Smoking Policy (agenda item 20)

The effects of the complete ban on smoking on campus had been monitored during the first part of the term. The effect of students and staff smoking on the perimeters of the College was causing litter, adverse visual effects and damage and had resulted in complaints from local residents. Chair's approval had been given to establish one designated smoking area on each campus. Students and staff were still being encouraged to give up smoking. Following discussion, *the Chair's decision was ratified for approval to the Board.*

11/204 Study tour (agenda item 21)

a) Trip to Belgium by Horticulture students (paper V)

Following discussion, *the proposed trip was approved.*

11/205 Date of next meeting (agenda item 22)

Thursday 22nd December 2011 at 9.30am in the Principal's Office.

11/206 Any other business (agenda item 23)

There was no other business.

Part 1 of the meeting concluded..