

**FINANCE and GENERAL PURPOSES COMMITTEE**  
**Minutes of a Meeting**  
**11.00am Wednesday 21<sup>st</sup> June 2017**  
**Thomas Mawson Room**

**Present:** Mr Edward Keene (Chair)(EK)  
Ms Ingrid Barker (IB)  
Mr Russell Marchant (RM)  
Mr Chris Moody (CM)  
Mr Graham van der Lely (GvdL)  
Mr Charles Whitehouse (CW)

**In Attendance** Mr Graham Ledden (GL)  
Ms Claire Whitworth (CW1)  
Mrs Lesley Worsfold (LW)

**Apologies:** Mr Ken Nottage  
Mrs Rosie Scott-Ward

**Minutes:** Mr Rob Lee

		<b>ACTION</b>	<b>ACTION DATE</b>
<b>1.</b>	<b>Apologies</b>  Apologies were received from Mr K Nottage and Mrs R Scott-Ward.		
<b>2.</b>	<b>Declaration of Interest. Paper FGPC02/06/17.</b>  The Clerk advised that members' interests would be taken as those disclosed in the Register of Members Interests. There were no declarations of members interests for agenda items.		
<b>3.</b>	<b>Minutes of the Last Meeting. Paper FGPC03/06/17.</b>  Minutes of the meeting held on the 27 <sup>th</sup> April 2017 were agreed to be a true and accurate record and signed by the Chair.		
<b>4.</b>	<b>Matters Arising</b>  <b>4.1. (4.2, 7.0, 5.1) Update on Lloyds Bank Loan.</b>  GL advised that the loan will not be finalised before he leaves but there is no reason to believe it will not be approved. In response to EK RM confirmed that GL has updated him on the situation so far and he would be		

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	responsible for completing the process.  <b><i>The next meeting will be updated.</i></b>	<b>RM</b>	<b>21/09/17</b>
	<b>4.2. (4.2, (7.0) Curriculum Costing is not available and will be discussed at a later date.</b>  <b><i>RM confirmed that this will be discussed at a later meeting.</i></b>	<b>RM</b>	<b>When Available</b>
	<b>4.3. (7.2)The refurbishment of Limbury Blocks will be discussed at Agenda Item 8.2.</b>		
	<b>4.4. (8.0) The setting up of Hartpury RFC Ltd was approved by the Corporation on the 25<sup>th</sup> May 2017.</b>		
<b>5.</b>	<b>Discuss and Approve monthly accounts for May 2017. Paper FGPC05/06/17.</b>  GL advised that the accounts for the year to date show a surplus of £2122K compared to a budget of £2333K and he expected an outturn of at least £1500K as there were now some savings against budget in this year on the Limbury refurbishment. GL explained that the final reconciliation of HE income shows an expected overall shortfall of £400K on budget, mostly a result of a change in the mix of students and higher withdrawals and suspension of studies. GL advised that direct costs are up £105K as a result of an increase of £150K in the allocation of SFA funding to the RFU subcontract. GL advised that a considerable amount of work has been concentrated on the Farm accounts and he would be surprised if there was going to be a big disparity at the end of the year as in the past few years. In response to EK RM confirmed that the processes in place have been agreed by the Farm Committee. In response to CW RM confirmed that standards have been agreed for selling livestock and he would be looking at ways to improve the relationship and communication between the Farm and academics.  <b><i>The accounts for May 2017 were approved.</i></b>		
<b>6.</b>	<b>Discuss and recommend for approval Budget for 2017/2018. Paper FGPC06/06/17.</b>  GL advised that the budget is based on the re-forecast surplus of £1506K. GL confirmed that we are aware of what the FE and HE income is likely to be, there had been significant input from key stakeholders and both the College Executive and SMT had reviewed and agreed draft budget. The budget shows a surplus of £1531K before FRS17 adjustments on a total income of £34.6m which is 4.42% to income. GL outlined the assumptions relating to HE and FE income, which will increase by £475K and £1004K respectively. CM questioned the assumptions that have been made on HE income as it had previously been reported that withdrawals and suspension		

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<p>of studies had been higher than expected in the current year and had this been factored into the budget. RM confirmed that the assumptions used had been very cautious. GL explained that capital will be restricted to Sports Academy2, further refurbishment of Limbury Blocks, IT and the Principals fund. GL advised that due to increased activity and increased project work additional staffing will cost an extra £1026K pushing the overall staff costs up to 52.47% to income against this year's forecast of 50.92%. GL advised that the major increases in staffing are £168K for HE, £306K for FE and £365K for Sport. GL confirmed that the College will stay well within its bank covenants and financial health measured by the SFA will be inadequate as measured by the auto score. However, on the basis that trade creditors are artificially high due to the Sports Academy2 project, the College is able to moderate to satisfactory. GL advised that a general pay award of 2.0% from the 1<sup>st</sup> January 2017 is included in the budget. RM advised that this pay award, as in other years, is dependent on the College achieving its student number targets for both HE and FE and accommodation occupancy levels and he would like to be given flexibility within the overall 2% pay award budget to help the lower paid by moving towards the Living Wage. GL advised that the cash flow does not contain Phase 2 of the Sports Academy project and this is provisionally in the budget for Summer 2019. RM advised that this will give us flexibility to see enrolment and accommodation figures before we need to make a decision in January 2018 on whether we can afford the project in Summer 2018. In response to EK RM confirmed that costs for Sports Academy2 will be known by January and a report will come to this Committee at its meeting scheduled for that month. Also in response to EK RM advised that there will be significant impacts on the Rider Performance Centre if we are unable to complete Phase 2 in the Summer of 2018. EK stated that we had projected in our 2 year forecast a surplus of £1.8m for 2017/2018 and he would be more comfortable with a 5% return to income and questioned whether there was scope to do this. RM advised that considerable work has been done on the budget and that the increase requested in such areas as FE reflects staffing required for the number of students expected. CW1 confirmed that we have modelled the group sizes by curriculum area to give quality of delivery. CW1 also advised that there was also an increase for Maths teaching and practical skills development. RM advised that he would expect a further increase in FE student numbers next year but this would not necessarily mean an increase in staff. EK questioned the increase in HE where no extra students were expected and RM advised that the increases in this area were for us to move forward on research and becoming a University. CM believed that there was more risk in this budget than previous years due to concerns on funding, HE numbers and the performance of Hartpury RFC and felt that any further increase in bottom line would add to this risk. EK agreed and added that on previous performances Catering and the Farm are also a risk. IB suggested that at some stage the College should look at doing a re-engineering exercise as this is where potential big savings can be found. GL advised that there needs to be an adjustment to the Balance Sheet but this will not affect the overall budget proposal. EK believed that 5% return to income must be an</p>		

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<p>aspiration and RM agreed to make this an in-year target for 2017/2018.</p> <p><b><i>The Budget is recommended for approval to the Corporation and includes a 2% general pay award that is dependent on the College achieving HE and FE student number targets and accommodation occupancy level targets. It is further recommended that the Principal be given flexibility within the overall 2% pay award budget to help the lower paid by moving towards the Living Wage.</i></b></p>	Clerk	13/07/17
<p><b>7. Discuss and recommend for approval 2 Year Financial Plan. Paper FGPC07/06/17.</b></p> <p>GL advised that the ESFA require a 2 Year Financial Plan which has to be approved by the Corporation and filed with them by the end of July. GL explained that the financial plan incorporates the budget for next year previously discussed and a forecast for 2018/2019. GL outlined the assumptions that had been used for 2018/2019 and had forecast the surplus to be £1874K which will be 5.26% to income. GL advised that the ESFA require governors to see the completed checklist for the Financial Plan Commentary. GL advised that the financial autoscore for the 2017/2018 will be inadequate but moderated to satisfactory for reasons discussed earlier and satisfactory for 2018/2019.</p> <p><b><i>The 2 Year Financial Plan is recommended to the Corporation for approval.</i></b></p>	Clerk	13/07/17
<p><b>8. Capital Projects.</b></p> <p><b>8.1. Update on Capital Projects to include MIS and Gloucester Docks Student Accommodation. Paper FGPC08.1/06/17.</b></p> <p><b>Gloucester Boathouse</b></p> <p>GL advised that after many delays the Boathouse should commence operations on the 1<sup>st</sup> July 2017 and that to date we have spent £97K of the £125K pledged. The College will therefore have a functioning base for its rowing operations.</p> <p><b>Dingle2</b></p> <p>GL advised that the project could be handed over a week early and may be £50K under budget.</p> <p><b>LEP Bid</b></p> <p>GL advised that after initially offering us £500K for the development of growth hub the process has now gone back to square one with the LEP encouraging further bids for a revised project in Forest of Dean. GL advised that we are therefore currently preparing another bid to secure £500K of</p>		

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<p>funding which has the support from Forest of Dean stakeholders and Gloucestershire College will be our partner.</p> <p><b>Sports Academy2</b></p> <p>GL advised that there has been a minor reconfiguration of the changing rooms which will reduce the overall size of the building which could show £300K of savings. GL also advised that the roofline is also being lowered and this could show further savings. GL confirmed that the early tender packages are out with suppliers. In response to GvdL GL confirmed that construction is due to start in July.</p> <p><b>Gloucester Docks Student Accommodation.</b></p> <p>GL advised that we have committed £33.8K plus £5K contingency for service investigations for a feasibility study for construction of 200 student bedrooms. The project will be off balance sheet and the study will be available by the end of July 2017.</p> <p><b>MIS/Unit E</b></p> <p>GL advised that following earlier difficulties and the departure of the Head of MIS, this project is being refocused. A comprehensive project plan is being developed to ensure the delivery of critical functionality for September 2017 and high level activities for the 2017/18 academic year and September 2018. GL advised that an interim MIS Manager has started and a decision on the future structure of this department and its management be made in the late Summer so that appropriate full time resource can be recruited. GL explained that in addition, technical Unit E resource is being identified for both FE reporting and overarching College wide development work. GL advised that the costs including the salary for a Head of MIS, are approximately £200k. GL advised that £130K of this amount is for consultancy.</p> <p><b>8.2. Confirm approval of revised plan to refurbish Limbury Blocks already agreed by email. Paper FGPC08.2/06/17.</b></p> <p>GL advised that since the last FGPC and Corporation further work on the costings for this project has led to a proposal to refurbish 4 existing kitchens, create an additional 4 kitchens and refurbish 6 existing bedrooms for an all in cost of £340k. This expenditure is now expected to be entirely of a capital nature and therefore the £250k of revenue expenditure reserved in this year's budget will not now be spent. The total cost budgeted in the current year was £450k (£250k revenue and £200k capital) so there will be a saving of £110k although the scale of the works is considerably reduced. GL advised that this proposal had been circulated and approved by email by Members. In response to GvdL RM advised that the defaults that had been found in the original build has doubled the price of the refurbishment of each room. In</p>		

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<p>response to CW RM advised that to complete the refurbishment of the 4 blocks is likely to cost £750K. In response to CW RM agreed that it was a 10 year project to refurbish all student accommodation. There are not defects in all blocks and a blueprint, after the costs are understood from current refurbishment, needs to be agreed for the costs and timescale of all accommodation blocks.</p> <p><b><i>The decision for the refurbishment of Limbury Blocks agreed by email was confirmed.</i></b></p>		
<p><b>9. Discuss and approve amendments to the Financial Regulations. Paper FGPC09/06/17.</b></p> <p>GL advised that the annual review has led to some minor amendments which are marked in red. After some discussion it was also agreed to increase the level of authority in clause 3.3.6 for the FGPC from £200K to £300K for capital projects.</p> <p><b><i>Amendments to the Financial Regulations were approved.</i></b></p>		
<p><b>10. Review the arrangements for obtaining the views of staff and students. Paper FGPC10/06/17.</b></p> <p>The Clerk advised that the Code of Governance requires the College to annually review the arrangements for obtaining the views of staff and students on the determination and periodic review of the educational character and mission of the College and the oversight of its activities. The current arrangements were discussed. CW1 advised that not all student surveys are reviewed by QuEST.</p> <p><b><i>Arrangements for obtaining the views of staff and students will be amended in line with the above discussion.</i></b></p>	Clerk	Immediate
<p><b>11. Approve amendments to College Policies. Paper FGPC11/06/17.</b></p> <p>LW advised that the policies have been reviewed and the proposed amendments were in red with the exception of the Student Disability Policy which needed a major update and has been re-written.</p> <p><b>11.1. Leaving Employment Policy. Paper FGPC11.1/06/17.</b></p> <p><b><i>The amendments to the Policy were agreed.</i></b></p> <p><b>11.2. Restructuring and Redundancy Policy. Paper FGPC11.2/06/17.</b></p> <p><b>11.3. Screen Display Equipment Policy. Paper FGPC11.3/06/17.</b></p>		

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<p><i>The amendments to the Policy were agreed.</i></p> <p><b>11.4. Equality, Diversity &amp; Inclusivity Policy. Paper FGPC11.4/06/17.</b></p> <p><i>The amendments to the Policy were agreed.</i></p> <p><b>11.5. Harassment &amp; Bullying Policy and Procedure. Paper FGPC11.5/06/17.</b></p> <p><i>The amendments to the Policy were agreed.</i></p> <p><b>11.6. Public Interest Disclosure Policy. Paper FGPC11.6/06/17.</b></p> <p><i>The amendments to the Policy were agreed.</i></p> <p><b>11.7. Student Disability Policy. Paper FGPC11.7/06/17.</b></p> <p><i>The amendments to the Policy were agreed.</i></p>		
<p><b>12. Any Other Business</b></p> <p>The Chair advised that it was Graham Leddens very last meeting before he leaves the College and thanked him for his input and the excellent financial results during his nine year tenure as Director of Finance. The Chair wished him the very best for the future.</p>		
<p><b>13. Dates of future meetings all at 11.00am.</b></p> <p>Thursday 21<sup>st</sup> September 2017</p> <p>Thursday 11<sup>th</sup> January 2018</p> <p>Wednesday 25<sup>th</sup> April 2018</p> <p>Wednesday 27<sup>th</sup> June 2018</p> <p>Wednesday 3<sup>rd</sup> October 2018</p>		

**Mr Edward Keene**  
**Chair Finance and General Purposes Committee**

**21<sup>st</sup> September 2017**