

**MINUTES OF REGIONAL FINANCE DIRECTORS GROUP MEETING HELD ON THURSDAY
8 NOVEMBER 2007 AT THOMAS ROTHERHAM COLLEGE**

Members Present:

David Pullein (Chair)	-	Leeds College of Building
Maurice Patterson	-	Thomas Rotherham College
Martin Harrison	-	Dearne Valley College
Tony Myers	-	Doncaster College
John Doris	-	East Riding College
Glynis Grainger	-	Hull College
Tina Eastwood	-	Hull College
Glen Duxbury	-	Joseph Priestly College
Ian Harmer	-	Park Lane College
John Somers	-	Rotherham College of Art & Technology
Pamela Olbison	-	Selby College
Karen Feitz	-	Selby College
Jason Pepper	-	Wakefield College

In Attendance:

Richard Hoyle	-	LSC
Robert Russell	-	AoC

ACTION

1. CHAIRMAN'S COMMUNICATION

No items to report.

2. APOLOGIES FOR ABSENCE

Apologies were received from:

Phil Mandy - Askham Bryan College
John Glahome - Askham Bryan College
David Laycock – Barnsley College
Steve Kelly – Bishop Burton College
Denise Cheng-Carter - Calderdale College
Jeremy Cook - Dewsbury College
Chris McSherry – East Riding College
Tom Dannatt – Franklin College
Alan Bird - Grimsby College
Ian Dixon – Hull College
Paul Smith – Leeds College of Music
Mark Shillito – Notre Dame College
Lorraine Swift – Shipley College
Alan Parkin – Thomas Danby College
Richard Hough – Thomas Danby College
Julie Wilson – Wilberforce College
Caroline Rowley – AoC Y&H

3. MINUTES OF MEETING HELD ON 28 JUNE 2007 AT HULL COLLEGE

The minutes of the meeting held on 28 June 2007 at Hull College were accepted as a true and accurate record.

4. MATTERS ARISING

There were no matters arising

5. AoC UPDATE – CAROLINE ROWLEY

Last minute apologies were received from C Rowley, who had yet to attend any CFDG meeting.

6. RENEWABLE ENERGY – MAURICE PATTERSON

Those members interested in renewable energy or new buildings were invited to view Thomas Rotherham College's new Eco building at the end of the meeting, which consists of wind turbines, solar panels, natural ventilation and other energy saving features.

7. EFFICIENCY SAVINGS & THE EMM DISK

M Patterson & R Hoyle started a discussion around the requirement to complete the EMM disk and the efficiency elements of the Finance Record. RH stated that there had been 24 completed EMM returns and 14 non-returns. The LSC aimed to issue a letter to colleges shortly concerning this issue. Both MP & RH stated that colleges should use their best estimate without putting too much time into this work, the LSC are very unlikely to audit these figures. If colleges do not make sufficient returns, then the EMM return may become mandatory, which we want to avoid.

It was agreed that DP would invite R Poxon to the next meeting and DP would ask R Poxon to issue a list of examples used under efficiency savings, as members found the whole issue difficult to understand, as many of the figures would not hold up to audit. DP also agreed to issue an email to the FD's as a reminder of the need to complete the EMM return.

DP

DP

8. AoC WEBSITE

M Patterson informed members that the AoC website now contained a wealth of useful and current information and documentation and advised members to look at the site first for essential LSC financial documentation. Minutes of the regional and national meetings will also be on this site.

9. LGPS CHANGES FROM APRIL 2008

M Patterson informed members of the changes within the LGPS planned for April 08, which would result in increased Employer costs of around 4%, although these costs would not be implemented until 2011 and the delay would affect member's deficits. Many of the members were not fully aware of the changes, as their LGPS provider had not provided any guidance. M Patterson provided members with a copy of the South Yorkshire LGPS guidance notes.

10. LSC ISSUES

- **2007/08 Funding Process:** Members felt that no lessons had been learnt by the LSC from previous years, as funding allocations were delayed and confusing as useful.
- **T2G:** It was confirmed that colleges could use either the Cash or Accruals basis for recording their T2G income, although the cash basis was recommended. Baker Tilley was trying to force one college to use the accruals basis, which was incorrect.
- The LSC national office still seems to be under the illusion that T2G Brokers were being successful and it was agreed that colleges needed to continue to push the message that Brokers brought minimal benefits to the system. Regional research undertaken by the LSC was currently not positive towards Brokers.
- R Hoyle agreed to invite an LSC T2G expert to the next meeting to discuss the problems around T2G.
- **2008/09 Funding Process:** D Pulein who is a member of the national Technical Committee covering the new funding system, provided members with the following information:
 - 16-18 allocations due in Dec 07.
 - 16-18 minimum funding guarantee remains.
 - 16-18 funding was fixed/guaranteed during the year.
 - 19+ funding was to be based on a monthly earned basis with a reconciliation after 6 months and at the end of the year. The tolerance range would be between -3% to +5%.
 - 19+ funding allocations not expected until June 08.
 - 1.75 cap for an SLN.
 - The SLN fully funded rate is expected to be between £2,500 - £2,700. The rate should be issued shortly.
 - Safety netting would apply to college's current SLN rate, not their current cash allocation, which would apply for 2-3 years. The safety net range would be +8% to -5%.
 - The funding gap with schools would remain for the foreseeable future.
 - The SLN software only had one known bug remaining, which was being resolved and members were encouraged to run the software to get their SLN numbers.
- **Fee Income:** The LSC may contact colleges concerning their reduced levels of fee income, although R Hoyle from the LSC recognised that there were errors in their interpretation of the data.
- **Capital:** New benchmarking on capital costs will be issued shortly. It is expected to be around £2,620 p/sq meter.

RH

11. NATIONAL GROUP FEEDBACK

Issues covered by the national group and not covered above included:

- **CFDG Status:** D Pullein informed members that the LSC had implied that the CFDG should consider becoming a legal entity to assist with future projects work. The national group will consider this issue when the AoC reorganisation is completed.
- **Bureaucracy Task Force:** D Pullein informed members that the CFDG was trying to get a representative on this working group. No reply had yet been received to letters sent.
- **Benchmarking:** The LSC have commissioned consultants to undertake a review of a potential financial benchmarking system. Initial information from this review was not encouraging in the direction it was taking. Members agreed that we should look for 20 – 30 areas that would be useful to benchmark and that we should not get into a very detailed analysis of all of our income and costs. M Patterson agreed to provide a list of potential benchmarking areas and to issue this as a survey to the sector so that colleges could indicate the areas that they would like to have covered.
- **VAT Guide:** D Pullein stated that the CFDG aimed to look into the option of updating the VAT guide.
- **Capital Investment:** The LSC are currently reviewing the capital investment model to move from NPV to more economic and social values basis. The LSC aim to publish the new guidance during early/mid 2008.
- **LSC Intervention:** This is expected to increase, details to be issued by the LSC shortly.
- **Fee Income:** The LSC are surprised by the fall in national fee income, despite the fact that the fall is totally related to the changed Government policies for 19+.

MP

12. ANY OTHER BUSINESS

- **HE Income:** T Myers informed members that changes to HEFCE funding rules meant that students already with an equivalent degree would no longer be funded or receive a grant towards a second degree.
- **Unique Learner No Pilot:** T Myers informed members that Doncaster College were involved in this pilot.

13. DATE OF NEXT MEETING

The next meeting will be held at Shipley College on Thursday 14 February 2008 at 10.30 am followed by Wakefield College on Thursday 19 June 2008 at 10.30 am.