



# **SOUTHGATE COLLEGE GOVERNING CORPORATION**

## **Finance and Staffing Committee**

### **Minutes of the meeting of 25<sup>th</sup> September 2008**

#### **Attendance**

##### Members

Ann Zinkin (Chairman)  
Michael Blagden (Principal)  
Paul Camp  
Nigel Levey  
Andrew Nicholas.

##### In attendance

Shah Alam (Director of Finance)  
Angélique Gainza (Vice Principal Curriculum)  
David Chaplin (Chaplin Frobisher Welling, Clerks to the Corporation)

- 1. Minutes of the meeting of 24<sup>th</sup> July 2008**  
*Received: Minutes of the Meeting held on 24<sup>th</sup> July 2008*  
The minutes were amended in small detail, confirmed as true and accurate record and signed by the Chairman
- 2. Matters arising**  
  
There were no matters arising.
- 3. Apologies for absence**  
  
Apologies were received from Ron Lis.
- 4. Declaration of Governor interest**  
  
No declarations had been notified.
- 5. Notification of any other urgent business**

The Principal asked to be allowed to table the final “LSC Funding earned 2007/8” reconciliation received from LSC that morning, and it was agreed to take this as agenda item 11

The Chairman asked that an account of the new Financial Management and Control Evaluation (LSC) be provided for members of the committee, and it was agreed to take this as agenda item 12

The Principal would report on the costs judgement arising from the recent employment tribunal as agenda item 13

## **6. Enrolment 2008/9**

*Received: Cumulative enrolment numbers up to the previous day*

Broadly speaking enrolments were on a par with those for the previous year. The Chairman asked how this related to current year targets; the Principal explained that this was difficult to analyse accurately at this time, as different programmes enrolled at different times and rates. A clearer picture would have emerged by the time of the October meeting, but he was reasonably confident that recruitment on funded programmes was at or ahead of target overall.

## **7.. Management accounts for the period ending 31st July 2008**

*Received: the management accounts for the period ending 31st July 2008, including the Balance sheet at that date and cash flow forecast to June 2009.*

The Committee reviewed the accounts and noted:

- Overall financial performance. The operating surplus for the year to date had further increased to £561k, and the net surplus to over £1m.
- Income for the month exceeded target by £80k because of the release of income streams from Young College, Full Cost Recovery and Train to Gain.
- Pay costs overall remained below target for both the month and the year to date, despite a large accrual for a proposed redundancy settlement and enhanced FR17 provision in response to the economic downturn
- Non-pay costs were below budget for the year because of very tight housekeeping, which more than offset unbudgeted costs defending employment tribunal hearings, and preliminary costs incurred in respect of the accommodation strategy

The management view was that this better than expected out-turn was helpful in providing for an accumulated surplus cushion against future vagaries; much of the surplus derived from greater than expected non LSC-funded activity.

There was general agreement that although budget profiling in FE was notoriously difficult, and budgets set 12months in advance could not take account of all the swings and roundabouts of “demand led” provision, it was essential that some method was found of giving both management and governors more reliable information on the financial position on a month by month basis in order that large surpluses were not accumulated that might be better spent on developing provision and facilities.

All Key ratios (as identified by LSC) were at satisfactory levels with the Current Ratio improving to 1.8; the Chairman asked if members could be given a simple explanation of the significance of each of the individual LSC performance indicators and how they contributed to overall grading

**8. Management Accounts for the period ending 31<sup>st</sup> August 2008**

*Received: the management accounts for the period ended 31<sup>st</sup> August 2008, including the balance sheet at that date and the cash flow forecast to July 2009.*

The Chairman asked if there was much to be learned by governors from “first month” accounts, particularly as August was not typical; however the Director of Finance reminded members that staff and other expenses still had to be met, and the LSC recommended that Governors should receive management accounts every month.

Reported Train to Gain recruitment was good, but no income stream was yet being received. The Director of Finance confirmed that all budget holders had access to on-line commitment accounts; the whole picture was reviewed by the Senior management at regular intervals

**9. Accommodation Strategy**

*Received: notes of the Design Inception meeting of College staff with Architects and other consultants*

Michael Blagden reported that this first meeting had been very positive, and a programme of work for the next four months mapped out – a copy of this “timetable” would be provided for the committee.

The appointment of consultants was now complete.

The project group, with a governor member (David Williamson), would meet monthly

Work was proceeding on the Education case. The case to date was tabled; this was an evolving document that it was agreed would be circulated to all governors at appropriate intervals. The Committee endorsed the draft Education case and particularly the Strategic Priorities identified.

The Principal confirmed that the project time-table was very tight, but in his view achievable. The Chairman asked if the “hoped for” timescale could be made available, with key milestones shown.

Both he and David Byrne were very satisfied with the performance of GVA Grimley

**10. AoC briefing on Pay Discussions for 2008/09**

*Received: AoC briefing note 09/08*

The final AoC recommendation had been for 3.2% or £550 p.a (whichever was the greater) with effect from 1<sup>st</sup> October 2008, equating to c. 2.66% in year

**11. LSC Reconciliation Statement**

*Received: final reconciliation statement of “funding earned Vs funding paid” for 2007/08*

The statement showed that £33,600 of unfunded activity had been undertaken; there would of course be no clawback, but he was doubtful if the shortfall would be made good

**12. Financial Management and Control Evaluation**

The Principal explained that within the overall assessment of College Performance under the Framework for Success the LSC had issued guidance on the self-assessment of their Financial Management and Control Arrangements using a Financial Management and Control Evaluation (FMCE) questionnaire.

The director of Finance confirmed that although the document was extensive, it would be completed within the next two months.

It was agreed that the completed document would go to both the F&S and Audit committees

**13 Employment Tribunal Costs**

The Principal reported that costs of £33,600 had been awarded against the plaintiff. He would be making recommendations to the governors concerning recovery

**14. Date and time of future meetings**

Thursday 23<sup>rd</sup> October 2008 at 1700 hours (Clerk to check availability of members)

Thursday 11<sup>th</sup> December 2008 (at Governors Review Day)

Thursday 29<sup>th</sup> January 2009 1700 hours

**The meeting finished at 6.05 p.m.**