



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance & Staffing Committee

Minutes of the meeting of 22nd October 2009 held at Southgate College, commencing at 5.00 p.m.

Attendance

Members

Ann Zinkin (Chairman)
David Byrne (Principal)
Paul Camp
Ron Lis
Andrew Nicholas

In attendance

Lizzie Jones (Head of Service Transformation)
Hilary Robinson (Director of Business Development)
Richard Teare (Interim Director of Finance)
David Chaplin (Chaplin Frobisher Welling, Clerks to the Corporation)

- 1. Minutes of the meeting of 24th September 2009**
Received: minutes of the Joint Meeting of the Committee and the Board held on 24th September 2009

The minutes were confirmed as true and accurate record and signed by the Chairman.

- 2. Matters arising**

Para 10 Governors Indemnity Insurance
Received: Policy schedule issued by Brit Insurance

Members were satisfied with the cover provided.

- 3. Apologies for absence**

Nigel Levey was abroad.

- 4. Declaration of Governor interest**

There were no interests notified.

5. Notification of any other urgent business

None

6. Management accounts for the period ending 31st August 2009

Received: the management accounts for the period ending 31st August 2009, including the balance sheet at that date and cash flow forecast to July 2010

These were in the new agreed format, which Members agreed was much improved. Richard Teare asked if an additional column to provide a comparison with the previous year would be useful.

Although the first months figures were not very significant the Chairman expressed concern at the Nursery accounts.

7. Draft Financial Statements for year ended 31st July 2009

Received: the draft (unaudited) Financial Statements for the year ended 31st July 2009, together with a commentary from the interim Director of Finance

The Director of Finance corrected a number of errors from the draft originally circulated. However, there were still a number of adjustments to be made before the audit process could be completed. However, he was confident that the final accounts would be ready to be circulated to the Committee well before their December meeting.

8. Learning Innovation Grant (LIG)

Received: application in collaboration with four other partners for a LIG grant of £130k towards capital costs of establishing a Motor Vehicle Engineering “Technology Factory”; together with a report from the Principal on his visit, accompanied by the Head of the Middlesex University Head of Engineering, to the SMC manufacturing factory in Bilbao, Spain

Members were delighted to hear of the progress made towards achieving this exciting “state-of-the-art” technology facility.

David Byrne stressed that not only did the project place the College “at the heart of the Mechanical Engineering industry”, the technology also offered possible application to a wide range of enterprises, including the financial sector.

9. European Social Fund (ESF) bids

Received: a report from the Director of Business Development on ESF bids

Hilary Robinson reported on three successful bids with a notional total contract value of £566k.

Members were pleased to note the degree of collaboration involved, and noted that the three schemes together provided a model framework from Level 1 to Level 4, which should facilitate further successful bids.

The possibility of a Job Centre Plus national pilot was particularly exciting.

10 Strategic financial issues facing the FE sector

Received: a paper from the AoC on the financial pressures likely to impact on the FE sector as a result of constraints on public spending

Members noted that the paper presented a funding environment of unrelieved gloom:

- a 20% reduction on departmental spending on “non-ring-fenced” areas.
- some protection for 16-18 education as part of the schools budget, not necessarily benefiting colleges.
- possible cuts of 40% - 50% in adult learning and skills budgets over the next 5 years.
- no increase in unit funding for 16-18 learners in 2010/11.
- longer-term funding issues for colleges in respect of 16-18 learners as numbers fall (demographics and improving employment market) and temptation for Councils to vire 16-18 funds to other priorities such as primary education.
- some possibility of growth in the delivery of HE by the FE sector.

Members agreed with the Principal that the challenge would be to evolve a new approach, which would certainly put a premium on collaborative working, require establishment of a lobbying strategy capable of being effective at pan-London regional level, take every advantage of being at the forefront of new developments. One key strength of the College was its sustainable travel location.

11. Final LSC contract for 2009/10

Received: confirmation of the LSC contract for 2009/10

David Byrne confirmed that the contract was broadly as expected, although there were so many caveats around some programmes that the danger of claw-back would need strenuous efforts to deliver in full.

Members noted that the overall contract value was £15,092m.

12. Enrolment 2009/10

Received: statistics of learner enrolment as at 8th October 2009

The Principal was disappointed that although not all learners were yet on the system, 16-18 enrolments were significantly below target. Every effort was being made to redress the situation with a January entry programme.

The comparatively low conversion rate (53%) of enquiries into enrolments was being investigated. However, it was still too early to be concerned about any lack of appeal of Southgate College; rather it seemed to be a London-wide problem.

13. College Accounting System

Received: report and recommendations from the Interim Director of Finance for upgrade of College Accounting System

Richard Teare reported that his review of systems and suppliers, undertaken in consultation with the College’s auditors and colleagues in other colleges had identified four options:

- Upgrade the existing Sage system
- Symmetry – used by Stafford College, almost identical in turnover
- Resource 32000
- Agresso (a system with three entry levels facilitating future upgrades)

Members accepted his recommendation that a full specification be drawn up and tendered to

suppliers. After demonstrations etc in the new calendar year, the Committee would be asked to approve purchase with the intent of commencing installation and training in Spring 2010, with implementation from 1st August 2010 (the start of the new financial year).

14. Other Urgent Business

The Chairman asked about the ongoing direction of the finance function.

The Principal stressed that although this was a matter for management decision, he would inform the Committee as soon as final arrangements were in place.

15 Date and time of next meeting

The date of the next meeting of the Finance & Staffing Committee was confirmed as at the Review Day.

The first meeting of the new calendar year would be Thursday January 28th 2010 at 5.00 p.m.

The meeting ended at 6.15 p.m.