



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 28th January 2010

Attendance

Members

Ann Zinkin (Chairman)
David Byrne (Principal)
Paul Camp
Nigel Levey
Ron Lis

In attendance

Richard Teare (Interim Director of Finance)
Ana Lewis (Chaplin Frobisher Welling, Clerks to the Corporation)

1. Minutes of the meeting of 23rd October 2008

It was noted that these minutes had been received at the joint Governing Body and Finance and Staffing meeting held on 9th December 2009.

2. Matters arising

There were no matters arising.

3. Apologies for absence

Apologies were received from Andrew Nicholas .

4. Declaration of Governor interest

No declarations had been notified.

5. Notification of any other urgent business

The Principal was pleased to report that the Deputy Director of Business Innovation and Skills, Christopher Thompson, was to join the College on a one year secondment from May 2010. The secondment may be extended for a further six months. He would report to the Principal through Lizzie Jones (Head of Service Transformation). It was felt that the College would benefit greatly from his strategic expertise.

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

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

The Committee reviewed the accounts and noted:

- Overall financial performance. The operating deficit for the year to date was £384k (£7k worse than budget), chiefly due to slower than profiled payments.
 - Income year to date was 0.8% below budget with LEA contracts (-22k) and Train to Gain (-58k), however JCP income was due to commence in February (delayed due to the failure of the LSC profiling system). The LSC main allocation remained uncertain at this stage.
 - Total expenditure below profiled budget. Costs were now capable of profiling and the focus was on tight control and rigorous monitoring.
 - Pay costs were below budget subject to part time and agency costs.
 - Non-pay costs were £24k (1%) above target.
 - Cash – cash balance was reasonably strong, (31.4 cash days in hand).
 - Nursery Accounts - an improved end of year position was anticipated.
- The Committee felt it would be useful to be provided with a note setting out the ‘one-off’ costs to facilitate a clearer picture and the College agreed to supply the same.

LSC system failures impacting on College finances were noted and methods of making known sector displeasure (eg: imposing interest charges for late payments) were discussed. Payments under the Train to Gain contract, which ostensibly ran from 1st August to 31st July, were uncertain due to the impact of the end of the fiscal year and the General Election outcome (potentially May). The Principal confirmed that contingency measures were in preparation and efforts were being made to support and consolidate relationships with providers/employers. The Committee discussed the future uncertainties over Government funding and the needs of small employers, and the Principal confirmed that inter-college discussion was taking place through the AoC (Association of Colleges).

Governors questioned other income producing initiatives now that the capital project was not moving forward and the Principal reported the preparation of an ‘Assets Plan’ and potential use of facilities (theatre/cinema).

7. LSC Funding 2010/11

Received: an update report on the 2010 LSC Funding Allocation negotiations and Funding Statement 2010/11 - Adult Learner Responsive issues by LSC/SFA 21.01.2010

The Principal outlined the current position for 2010/11, with the LSC’s overseeing role for funding allocations, for the newly established bodies (Skills Funding Agency and Local Authority) with whom the College were in direct discussion.

The overriding message was the extremely challenging time ahead for the post 16 sector with massive reductions in funding (circa 10%-25% cut) anticipated to adult learner funding and similar issues arising with Employer Responsive funding and the principle of Allocation being subject to achievement numbers.

The Committee discussed issues of course applicability, retention and employment

outcomes and were advised of the involvement of the Business Development Unit in publicising the College offer and outcomes, work with the marketing and data collection/management of outcomes and contingencies for potential displaced students. It was felt that was a need to combine academia with science, to extend opportunities for work experience and enhanced career progression routes and to encourage input and involvement of entrepreneurs.

- The Committee asked that a presentation be made to the Governing Body by Lizzie Jones.

8. Learning Innovation Grant

Received: letter to North London Garage Group Training Association (NLGTGA) - 7 December 2009

The Principal was pleased to report the success of the bid by NLGTGA, who were acting as Lead (being an 'eligible' organisation) for a Learning Innovation Grant of £100,000 (to be expended by June 2010) in a project for the development and application of technology and e-learning within work based learning. This initiative would provide the College with the opportunity to use manufacturing equipment and provide progression in offer from Diplomas through to Engineering degrees. The grant was purely for capital (not revenue) expenditure and the procurement progress was to be reported by Easter 2010. This excellent outcome placed the College in a good position and an example to other colleges.

The Committee congratulated the College on this achievement.

9. Enrolment 2009/10

Received: Cumulative Learner responsive enrolment numbers as at 28th January 2010

16-18 Learner Responsive – 1560 against a target of 1720, ahead of profile
19+ Adult Learner Responsive – 2086 against a target of 2800

Albeit enrolment numbers were on profile the College considered this an important priority and was involved in regular dialogue with the LSC.

The Principal highlighted the impending statement of government priorities which would require flexible recruitment intake dates, yet retained the potential for funding claw-back in the event that numbers were not achieved by Autumn.

The College would need to closely monitor and consider the impact of cross year recruitment. Of concern was the uncertain future, possible involvement of the Mayor and the agencies' taking a 'whole London' approach ignoring area differences and impacting on the College.

10. College Financial Health Grade 2008/09-2011/12

Received: letter from LSC dated 23 December 2009

The Committee received the letter from the LSC agreeing the College self assessed grade of 'Satisfactory' for 2008/09 and 2009/10 with anticipated improvement to 'Good' for 2010/11 and 2011/12.

The Committee noted the issue raised by the LSC that no income was assumed from employers and the Principal's response indicating the Government's reluctance/refusal to levy charges on the employer for course/training provision despite the requirement.

The Committee expressed their thanks to Richard Teare and his team for the financial health grade outcomes.

11. University & College Union

Received: letters from University & College Union (UCU) dated 11th and 18th January 2010

The Committee was provided with a copy of a letter from the UCU to the Principal (addressed to Mr M Blagden) reporting the failure of the ballot to achieve the required mandate for the taking of industrial action. The second letter invited College support for a national lobby of Parliament to highlight the serious funding position of tertiary education and to put forward the case for further education. The Principal reported that the College were willing to allow two staff members to join the lobby (although it was later discovered that, due to typographical errors in the letter from UCU, the lobby had in fact taken place on 26th January).

12. Other urgent business

- 12.1 The Chair reported the receipt of an email from Boris Johnson indicating that he did not have an opportunity to visit Southgate College at this time.
- 12.2 The Principal was pleased to announce the visit to the College, on 25th and 26th February, of the Bloodhound Supersonic car together with the Bloodhound team. This vehicle was to attempt the land speed record and the visit had been arranged with the Enfield Business Partnership. Substantial media coverage was anticipated. The schools were to attend on 25th and an 'Employers' evening (6pm) was planned for the 25th. All Governors were invited to join the event (a Governing Body meeting was scheduled for 25th February 2010).

13. Date and time of future meetings

25th February 2010 1700 hours (followed by Governing Body)
29th April 2010 (followed by Governing Body)