



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 24th July 2008

Attendance

Members

Ann Zinkin (Chairman)
Michael Blagden (Principal)
Paul Camp
Ron Lis
Andrew Nicholas

In attendance

Shah Alam (Director of Finance)
Angélique Gainza (Vice Principal Curriculum)
John Spindler (Vice Principal Resources)
Ana Lewis }
David Chaplin } Chaplin Frobisher Welling, Clerk to the Corporation

1. Minutes of the meeting of 8th May 2008

Received: Minutes of the Meeting held on 8th May 2008

The minutes had been confirmed as true and accurate at the joint meeting with the Governing Body held on 3rd June 2008 and were signed by the Chairman.

2. Matters arising

There were no matters arising.

3. Apologies for absence

There were no apologies for absence.

4. Declaration of Governor interest

No declarations had been notified.

5. Notification of any other urgent business

No urgent business had been notified. It was agreed to allow the HR Managers' to make a presentation before proceeding to consider the budgets. This is reported briefly at item 11 below.

6. Management accounts for the period ending 30th June 2008

Received: the management accounts for the period ending 30th June 2008, including the balance sheet at that date and cash flow forecast to May 2009.

The Committee reviewed the accounts and noted:

- Overall financial performance The operating surplus for the year-to-date had improved to £165K, and the net surplus to £594K. It was expected that the end-year out-turn will very substantially ahead of budget.
- Income for the month exceeded target by £117K because of the release of HE income and Learner Support payments.
- Pay costs remained below target for both the month and the year-to-date and this is expected to continue.
- Non-pay costs were marginally below budget for the month and on target for the year-to-date, but the accounting treatment of expenses incurred in respect of the Capital Build project are as yet undetermined.

All Key ratios (as identified by LSC) were at satisfactory levels with the Current Ratio improving to 1.3.

Whilst the improved outlook was welcomed, Members felt that further work would be needed in the next year to ensure that management accounts gave as realistic as possible a picture, and not an unduly conservative one.

7.. Draft Budget for 2008/09

Received: Draft Income and Expenditure Budgets for Profit and Loss account.

The Clerk advised the Committee that they should not approve the budget without also considering capital budget, cash flow forecasts and the projected balance sheet at 31st July 2008. However these were shown in the three-year Financial plan, which was to be tabled for the next agenda item.

The Committee therefore reviewed the budget proposal alongside the three-year plan, and passed resolutions at the end of item 8.

8. Three year Financial Forecast 2008/11

Received: tabled Draft three-year financial forecasts (based on the draft budget noted above as year one) for submission to the LSC.

Governors reviewed the forecasts, and asked a number of detailed questions about the treatment of Building Project costs and Pension contributions.

Governors noted the uncertainty surrounding the timing and funding of the Capital Build project, and indeed expressed concern about the stability of LSC funding policies generally.

The Committee resolved to recommend the draft budget for the year 2008/09 for adoption, and the three-year financial forecasts for approval for submission to the LSC to the Governing Body for adoption.

The Chairman expressed her extreme disquiet about the sufficiency and timeliness of the information provided to the Committee, and would be seeking major improvements next year.

The Clerk pointed out that this had been a very difficult year for preparation of budgets and forecasts across the sector because of the delay in LSC confirming allocations.

9. Funding Performance

Received: analysis of Learner Numbers and Funding earned top July 2008.

The Committee noted that the College was again almost exactly achieving its performance against funding allocation and congratulated all those involved in managing this result.

10. Update on Accommodation Plans

John Spindler gave a verbal update on very positive discussions with The London Borough of Enfield not only concerning the Library and Grovelands Park, but also in respect of other sites. Members urged caution in widening the scheme beyond that originally envisaged. John Spindler also reported that at interviews held earlier that day, provisional offers of contracts had been made firms who would make up the principal elements of the Design Team.

11. Feedback on HR issues

11.1 Presentation from Cinzia Percival and Lisa Yates

This wide-ranging presentation covered a number of issues, ranging from HR statistical analysis of data (which data the Committee considered seriously flawed), to an explanation of the change in HR strategy which saw the team devoting more time to fundamental issues of policy, with staff encouraged to resolve day to day issues with line managers rather than the HR professionals, a strategy that the Committee was happy to endorse.

The Chairman thanked Cinzia and Lisa for their presentation.

11.2 Report on Tribunal outcome

The Principal reported that following the successful defence of the claim made against the College, the College had now been awarded a substantial portion of their costs.

12. Any other urgent business

There was no other urgent business.

13. Date and time of next meeting

Thursday 25th September 2008 at 1700 hours

The meeting finished at 6.45 p.m.