



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 28 February 2008

Attendance

Members

Ann Zinkin Andrew Nicholas
Ron Lis Paul Camp
Michael Blagden

In attendance

Shah Alam
Angélique Gainza
Maureen Medien
John Spindler

1. Minutes of the meeting of 31 January 2008

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

2. Matters arising

There were no matters arising.

3. Apologies for absence

No apologies received.

4. Declaration of Governor interest

No declarations were received.

5. Notification of any other urgent business

John Spindler, Vice Principal Resources, that he wished to add an item on Fees 2008/09.

6. Management accounts for the period ending 31 January 2008

Governors received the management accounts for the period ending 31 December 2007, and noted:

- An operational deficit of £26K for the month in comparison to a budgeted deficit of £43K and an operational deficit of £123K for the year to date compared to a budgeted deficit of £63K.
- A net surplus of £14K for the month in comparison to a budgeted deficit of £13K and a net surplus of £115K for the year to date in comparison to a budgeted surplus of £129K.
- Although actual financial performance for the year to date was slightly below target, it is a significant improvement (£191K) on the similar period last year.

Income

Both Train to Gain and Young College income are marginally below target but this is a profiling issue and overall income targets will be met.

Pay costs

Pay costs are below budget for the month and the year to date.

Non-pay costs

Non-pay costs are under budget for the month but marginally over budget for the year to date which is linked to frontloading of some teaching department costs and higher than budgeted cost because of unavoidable legal fees.

Key ratios

Cash days in hand are well within the target ratio, at 29 days, and the all-important current ratio is maintained at 1.

In response to a question from Governors, the Principal informed the Committee that:

- Transitional funding was not yet fully included in the accounts and would be released into the accounts at appropriate intervals over the year.
- There should not be a requirement to make use of overdraft facilities during February/March 2008.
- A recent letter from the LSC had amended the profiling of funding payments to the College's advantage.

Nursery accounts

Governors received the Nursery accounts for the period ending 31 January 2008, and noted:

- That the monthly deficit had increased to almost £2.5K as a result of providing for maternity cover.
- The year to date deficit remained within budget.

Governor Ann Zinkin, asked why the Nursery did not operate on a term time only basis. In response the Principal told the Committee that the Nursery was set up as a partnership with a sponsor bank who required whole day 52 weeks per year operation. Although they are progressively withdrawing their sponsorship, they have not completed the withdrawal yet.

Current occupancy of the Nursery is as follows:

Children of students	10
Children of staff	6
Sponsor children	1
Community children	2

The Nursery hours of operation would be reviewed in the next academic year.

7. Summary statement of activity for 2008/09

Governors received the College Management proposed summary statement of activity as presented to the LSC.

College plans, if accepted, would result in:

- An allocation of £15.68M, which is an increase of £600K-£700K on the current year.
- A modest increase of 50 16 - 18 learners.
- A significant increase in Train to Gain and employer related provision.

College Management were expecting an initial allocation indication in early March 2008.

Since the Governors meeting, the College has been advised that there will be no indicative allocation until May 2008.

Note: if the allocation is a significant reduction in funding, there will be little possibility of making any staffing reductions prior to the next financial year.

8. Funding performance 2007/08

Governors received a report on funding performance 2007/08, and noted:

- 16 - 18 year olds – 3% above target on full-time recruitment and at target on part-time recruitment.
- Adult provision – 76 (6%) below target for full-time learners and 647 (23%) below target for part-time learners but with a full term's recruitment yet to go.
- In terms of funding, the College has already generated 101% of full-year targets, with at least £400K of additional support yet to be entered.
- The College has some concerns that full-time adult recruitment will not reach target and has contracted for an additional 75 learners from its franchise partner, Orion Pax.

Note: in terms of recruitment for 2008/09, as at 28 February 2008, there were 770 applications in comparison to 440 at the same date last year.

9. Proposed dates for Committee meetings for 2008/09

Governors received and noted the proposed dates for Committee meetings for 2008/09.

10. Update on the current Employment Tribunal hearing

The Principal reported that the College had currently completed day four of a scheduled eight-day employment tribunal where a probationer who had been dismissed within the probationary period was alleging that his dismissal was linked to racism.

The tribunal was not going well at this stage with a number of procedural deficiencies being identified in the Probationary Procedure, and the Tribunal appeared to be taking a serious view of this.

The claimant was not represented, and members of the Tribunal appeared to be going out of their way to assist the claimant and suggested a negative interpretation of issues relating to incompetence and poor performance.

Angélique Gainza reported that she was even more pessimistic than the Principal with the way the Tribunal was going.

11. Any other urgent business

Fees 2008/09

Governors were requested to agree in principle, an increase in adult fees from 37½% to 42¼% of total course funding, as expected by the LSC, for 2008/09. A detailed paper would be brought to the next meeting of the Committee.

Governors agreed in principle to increase adult fees from 37½% to 42¼% of total funding for 2008/09.

12. Date of future meeting

To note the dates of future meetings as 8 May (changed from 24 April), 3 June (changed from 5 June) and 24 July 2008.