



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 8 May 2008

Attendance

Members

Ann Zinkin
Paul Camp
Michael Blagden

In attendance

Shah Alam
Angélique Gainza
Maureen Medien
John Spindler

1. Minutes of the meeting of 28 February 2008

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

2. Matters arising

The Principal reported that the cost hearing for the recent Employment Tribunal was scheduled for July 2008. However, it was unlikely that all College costs would be recovered.

3. Apologies for absence

Apologies were received from Nigel Levey, Ron Lis and Andrew Nicholas.

4. Declaration of Governor interest

No declarations were received.

5. Notification of any other urgent business

Principal reported an additional paper for Item 8 which was the LSC's 2008/09 Indicative Allocation for Adult Responsive Funding.

6. Management accounts for the period ending 31 March 2008

6.1 Governors received the management accounts for the period ending 31 March 2008, and noted:

Overall financial performance

The operating deficit for the month had deteriorated by £76K on the previous year but had improved by £127K on the year to date. In terms of net budget, the deficit for the month was £38K but there was a surplus of £66K for the year to date.

Income

Income for the month and year to date are £21K and £126K respectively below budget, the main concern being income associated with TTG and Young College which are both expected to be higher in the latter part of the year. There were concerns that income from Young College and FCR may fall marginally short of original budget but these are being regularly monitored. Both Train to Gain and Young College income are currently marginally below target but this is a profiling issue.

Pay costs

Pay costs remain below target for both the month and the year to date and this is expected to continue.

Non-pay costs

Non-pay costs are marginally below target for both the month and the year to date but it is anticipated that budgeted costs will be fully expended. Admin and central costs are higher than budget because of legal fees associated with the recent Employment Tribunal, some of which may be recovered.

Key ratios

All key ratios are at satisfactory levels but the Current Ratio has dropped to 0.8 and the College will seek to improve this to at least 1.0 by the end of the year.

6.2 Revised budget outturn

Received from John Spindler, a revised budget outturn projection for the end of the year. Governors noted:

- Total income forecast to be £290K below original budget because of reduction in income associated with:

- Education contracts	£30K
- WBL	£10K
- Tuition fees – home	£90K
- Tuition fees – overseas	£25K
- Full-cost recovery income	£75K
- Various other areas	£60K

- Expenditure is forecast to be reduced accordingly and be £278K below the original budget, principally because of savings in pay costs - £341K.
- The outturn is forecast to be an operational surplus of £14K below the original budget but a net surplus of £46K above original budget, principally associated with increases in bank interest rates.

Governors approved the budget outturn projection for inclusion in the future management accounts.

7. Tuition fees 2008/09

Governors received from John Spindler, detailed proposals on tuition fees that had been considered and approved in principle at a previous Governors' meeting.

Following discussion, Governors approved:

- 1. That the College registration fee for 16-18 year olds be increased from £20 to £25.**
- 2. That fees for home 19+ students be increased to 42.5%.**
- 3. That the overseas full-time fee remains at £4500. The overseas part-time fees are increased from £9 to £10 per hour.**
- 4. That exam fees charged should be adjusted to match the fees charged to the awarding body.**
- 5. That full cost programmes are priced individually but on the basis that all courses contribute to fixed costs.**

8. Indicative funding allocation for 2008/09

Governors received from the Principal, details of the LSC's indicative funding allocation for 2008/09 for both 16-18 provision and for Adult Responsive Provision.

The 16-18 provision, as anticipated, was a no-growth situation with the College being funded at £7.26M for 2114 Standard Learner Numbers (SLNs).

For adults, the provision was very different, with the initial allocation indicating a cut of £1.3M from the 2007/08 allocation of £6.96M.

From this reduction, £690K is associated with NVQs delivered in the workplace and this may be re-allocated to the College through Employer Responsive Funding which will not be identified until the end of May and is not guaranteed.

The likely shortfall is therefore at least £626K and Management will need to bring forward proposals for making these savings, prior to the setting of the budget in July/August. The effect of inflation and any shortfall in Employer Responsive Funding may increase the total amount of savings that need to be made.

9. Instrument and Articles of Government

Received from the Principal, a follow-up paper from the previous meeting showing progress against identified action points.

Noted: that the College is compliant with the requirement to approve a College Quality Strategy and that Vice Principal, Angélique Gainza, is to update the Quality Strategy and bring it forward for consideration by 24 July 2008.

The Corporation is not compliant with the requirements for the setting up of any Special Committee or Appeal Committee to consider disciplinary issues involving the Principal and Senior Post Holders.

Governors agreed to vary the Disciplinary and Grievance Policy as shown, which will make the Corporation compliant.

10. Funding performance 2007/08

Governors received John Spindler's update on performance against target and learner numbers, and noted:

- Provision for 16-18 year olds is above target for total learner numbers, FTEs and funding.
- Provision for adults continues to cause some concern. It is unlikely that the 73 shortfall in full-time adults will be made up but additional part-time provision is being put on to make up for the 411 (246 FTE) shortfall in part-time adults.
- Overall, funding generated is at 102% of funding target when ALS funding is discounted.

11. Update on Property Strategy

John Spindler reported that the College was continuing to discuss with the LSC the inclusion of appropriate external provision for sports within the overarching Accommodation Strategy. He stressed the importance of keeping the LSC 'on-board' with these proposals.

The College is now about to go out to tender with consultants in the areas of:

- Design
- Quantity Surveying
- Project Management

The College will also need to appoint appropriate legal services before any other consultants are considered and a number of legal firms have been short-listed for consideration.

12. Terms of Reference

The Committee considered its current make up and Terms of Reference, agreed that they were appropriate and recommended them to the Corporation without change

13. Any other urgent business

There was no other urgent business.

14. Future meetings

To note the dates of future meetings as 3 June and 24 July 2008.