



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 18 October 2007

Attendance

Members

Mr R Lis Mr A Nicholas
Mr M Blagden Mr P Camp

In attendance

Mr S Alam
Dr A Gainza
Mr J Spindler

1. Minutes of the meeting of 20 September 2007

The minutes were accepted as a true and accurate record of the meeting.

2. Matters arising

7. Budget 2007/08 (from previous matters arising)

Auditors' had not commented on the apportionment of the exceptional funding between 2006/07 and 2007/08.

8. Financial Forecast (from previous matters arising)

The College had now received LSC responses to the forecast; the response confirmed that the College has been placed in financial health category B.

3. Apologies for absence

Apologies were received from Mr P Camp.

4. Declaration of Governor Interest

No declarations were received.

5. Notification of any other urgent business

None received.

6. Management Accounts for the period ending 31 July 2007

Governors received the management accounts for the period ending 30 September 2007, and noted:

- An operational surplus of £92K for the month and £293K for the year to date; significant improvements on the 2006/07 position.
- Income on target for both the month and year to date.
- Full cost recovery programme is generating income above target.
- Pay costs are below target for both the month and the year to date.
- Non-pay costs on target and significantly below last year's position.
- Improvement in all key ratios with the current ratio now being 1.1:1.

Governors noted that the exceptional funding had not yet been included in the accounts and that the College had been notified of two additional funding streams:

- £53K for capacity building for T2G
- £62K for development in initial teacher training.

Governors also received a cash flow forecast for 2007/08 which to date does not include these two items of additional income totalling £115K. The cash flow forecast shows a positive cash balance for all months except July 2008 (the last month of the financial year) when there is a deficit of £69K.

The impact of the building programme (if approved) will impact negatively on the cash position and the College will be expected to borrow to fund the programme. Indications from the LSC are that the College will be required to borrow between £5 - £7M to fund a £72M project. The expectations of the LSC are that the College should recover its financial health position within three years of the building programme being completed.

The current cash flow forecast is a sound basis for proceeding with capital purchases and the building programme.

7. AoC recommended pay award 2007/08

Governors received the recommendations from the AoC on the 2007/08 pay award. Governors noted that the recommended award had been agreed with the recognised unions ACM and Unison but had been rejected by UCU (formally NATFHE) who were balloting for industrial actions. Irrespective of this ballot, the AoC were recommending implementation of the award which is:

- 2% from the 1 August 2007 followed by
- 1% from 1 February 2008

Governors determined to recommend the implementation of the award in full to the Governing Body.

8. Update on enrolment 2007/08

Governors received an update on current year enrolment and noted:

- **Full-time 16-18 year olds** enrolment ahead of LSC target but still short of Development Plan target.
- **Part-time 16-18 year olds** enrolment ahead of both LSC and Development Plan targets but believed to include some double counting, with some 50:50 students being enrolled both with ESOL and the host Vocational Department. However, there are two part-time enrolment periods still to go.
- **Full-time adult** enrolments below both LSC and Development Plan targets but to date do not include the outcentres enrolments associated with Tektra. The LSC target is expected to be achieved.
- Part-time adult enrolments at 90% of targets with two enrolment periods still to go.

Senior Management are confident of achieving the enrolment numbers agreed with the LSC.

9. Any other urgent business

None

10. Date of next meeting

13 December 2007 (Governors' Review Day)