



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 27 July 2006

Attendance

Members

Mr D Southon Mr R Lis
Mr M Blagden

In attendance

Mr D Byrne Dr A Gainza
Mr S Alam

In the absence of the Chairman Mr P. Camp, the Committee elected Mr M Blagden to chair the meeting.

1. Minutes of the meeting of 29 June 2006

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

2. Matters arising

New contracts of employment for academic staff

Principal reported that Union members at the College had accepted the new contracts of employment agreed between College Management and Union Officers.

3. Apologies for absence

Apologies were received from Mr A Nicholas and Mr P Camp.

4. Declaration of Governor Interest

No declarations were received.

5. Notification of any other business

By the Principal – Financial Forecast 2006-2010

6. Management Accounts for the period ending 30 June 2006

6.1 Southgate College Corporation

Governors received the management accounts for the period ending 30 June 2006 and noted:

- An operating surplus of £67K for the month and an operational deficit of £206K for the year to date.
- A net surplus of £9K for the month and £136K for the year to date.
- Income – no issues.
- Pay costs were below budget for both the month and the year to date.
- Non pay costs were above target as a result of unanticipated premises expenditure and the decision to increase the value of the Tektra contact.
- Key ratios were all within target.
- Staffing costs were significantly better than target.

6.2 Nursery Accounts

Governors received the Nursery accounts for the period ending 30 June 2006 and noted the surplus of £4.7K and the year to date deficit of £4.9K, which was well within budget.

7. Draft Budget for 2006/07

Governors received the draft budget for 2006/07 version 10 and noted:

- That the majority of redundancy costs had been accounted for in the previous year.
- Income included a performance payment of £342K as a result of a successful re-inspection and success rates.

Expenditure

- Pay - £80K savings had been associated with new contracts of employment
- Pay budget included provision for an HR Director.

Non-Pay costs

- There was provision of £100K for the new joint provision with Barnet College.
- £50K provision for FR17 Pension Fund.

The draft budget identified an operational deficit of £355K and a net surplus of £10K. These figures were within the profile that would result in an operational surplus within three years.

Following full consideration, the Committee agreed to recommend the draft budget to the full Governing Body.

8. LSC's 2006/07 Funding Allocation

Governors received and noted the LSC's funding allocations for 2006/07.

The allocation had three elements:

Main funding allocation	£13,947,905
Work based learning	£89,182
Performance related funding	£342,966
	<u>£14,380,053</u>

Governors noted that this allocation was included in the draft budget recommended to the Governing Body.

9. Update on College recruitment and funding

Governors received the monthly report on College recruitment and funding generated and noted that funding generated was at 99% of target but that learner numbers were lower than target. Providing the final out-turn was above 98%, there would be no clawback associated with recruitment in 2005/06.

10. Any other urgent business

Financial Forecast 2006-2010

Governors received the Financial Forecast for 2006-2010 and the associated commentary. Governors noted that the Forecast retained the College in financial health category B in years one and two of the Forecast. The College would then move into financial health category A.

Following minor amendments, the Committee approved the Financial Forecast for 2006-2010 for submission to the LSC.

11. Date of next meeting

28 September 2006