



SOUTHGATE COLLEGE GOVERNING CORPORATION

Finance and Staffing Committee

Minutes of the meeting of 2 November 2006

Attendance

Members

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

In attendance

Mr J Spindler
Dr A Gainza
Mr S Fuchs
Mr S Alam

Introductions

The Chairman introduced two new Senior Management Staff:

John Spindler – Vice Principal (Resources)
Simon Fuchs – Director of Human Resources

1. Minutes of the meeting of 28 September 2006

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

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 were received.

5. Notification of any other business

From the Principal – Upgrading of the College’s telephone system.

6. Management Accounts for the period ending 30 September 2006

6.1 Southgate College Corporation

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

- That income for both the month and the year to date is within budget and in line with the anticipated profile.
- That pay costs are within budget for both the month and the year to date. The overshoot of non-teaching staff costs (£10K for the year to date) is more than compensated for by the undershoot on teaching staff (£19K for the year to date).
- Principal reported that part-time teaching costs may not include some part-time contracts that are still in the pipeline.
- Non-pay costs are on budget for the month and £23K over budget for the year to date. This being due to DDA related expenditure and quarterly rental charges.
- Key ratios have improved and are within the target profile however pay costs as a percentage of turnover are particularly low possibly as a result of contracts still in the pipeline.

6.2 Nursery Accounts

Governors received the Nursery accounts for the period ending 30 September 2006 and noted:

- A substantial improvement in financial performance in comparison to the equivalent period last year.
- That HSBC income will reduce next month if the Nursery is unable to fill the vacated child place.

7. Verbal report on the progress of the audit of Financial Statements 2005/06

Chief Accountant Shah Alam reported that the financial statements auditors Bentley Jennison had been in College for two weeks and had now left to prepare their report. No significant issues had been raised by the auditors during the course of their visit and no surprises are expected in the report.

8. Report on the College’s Investment Strategy

Governors considered the current investment strategy under which the College uses consolidated fund placements through arrangements with Lloyds TSB.

Noted that the College Accountant has considered investments into gilts and other higher earning areas, however all of these would require a 3-5 year commitment of funds and the College has insufficient surpluses to make these investments.

Following due consideration, Governors determined that the College continues its current investment policy of using the consolidated fund placement services of Lloyds TSB.

9. Update of the College's Financial Regulations concerning amending the financial thresholds for dual signatures.

Governors received a report from the Chief Accountant Shah Alam seeking to amend financial regulations such that the threshold for requiring two signatures on a cheque be raised from £2K to £5K.

Governors noted that no increase in this threshold had been made since it was set at incorporation in 1994. Following due consideration, Governors agreed to increase the limit to £3K.

Governors also requested a report for their next meeting where they could consider all the financial limits in the financial regulations.

10. Information from CAPITA on changes to Employer and Employee contributions to the Teachers' Pension Scheme

Governors received and noted the information from the TPA that pension contributions for teachers would rise with effect from 1 January 2007 such that:

- The employer contribution rate will rise from 13.5% to 14.1%
- The member contribution rate will rise from 6% to 6.4%.

Governors noted that the increase has been provided for in the budget and that an appropriate notice has been prepared for the staff bulletin.

11. Update on student recruitment 2006/07

Governors received the tabled update on student recruitment for 2006/07 and noted that with the exception of full-time adult recruitment, student numbers are currently below target as follows:

	<u>Student No</u>	<u>%</u>
16-18 full-time	-31	2%
16-18 part-time	-24	7%
Adult part-time	-981	28%

On part-time recruitment, there are still two terms of enrolments to go and these numbers are likely to exceed target. 16-18 full-time recruitment is of some concern as this is a priority area for the LSC and the Government and it is important to hit or exceed the target.

However, it is likely that some full-time students have yet to complete the enrolment procedure, therefore the numbers will increase consequently some students will leave during the year.

Governors noted that the funding generated by the current recruitment pattern was within 2% of whole year totals which indicates that students are being enrolled on higher funded courses than has been planned.

When funding for ALS is added (£615K) the funding generated will be considerably over target.

12. Health and Safety issues relating to the College's Students' Refectories

Governors received the report on health and safety issues in the College Refectory associated with the transfer of the catering contract from Aramark to Baxter Storey.

The Health and Safety Officers have condemned a number of pieces of equipment as not complying with the current health and safety legislation and also the ventilation system – principally because there are no interlocks between the system and any gas-fired equipment.

Governors noted that the total cost of replacing this equipment and making the system health and safety compliant would be in the order of £45K-£50K and that this expenditure was currently not budgeted for.

Governors agreed that this expenditure is necessary and that the College should re-structure its capital expenditure programme to allow for inclusion of this work.

13. Any other urgent business

Upgrading of the College's Telephone System

Principal reported that the College's telephone system had failed at a critical period during enrolment and that maintenance of the current system was no longer supported by the equipment supplier.

The College has budgeted £45K for replacement of the telephone system but current estimates were that replacement might cost approximately £50K.

The College was seeking three quotations for replacement of the system by a new system, which would have the capacity to interface with computer networks etc.

14. Date of next meeting

14 December 2006 (Governors' Review Day)