



SOUTHGATE COLLEGE GOVERNING CORPORATION

Governing Corporation

Summary of main decisions taken at the meeting of 24th July 2008

1. Adoption of Budget for 2008/09

The Governing Body adopted a budget for 2008/09 which envisaged a smaller proportion of LSC funding for 16-19 provision and faced the challenges of employer-responsive 'actual recruitment and outcomes only' funding, (eg Train to Gain), hence the budget had been based on scenario that only 80% of the available funding would be earned. Pay costs were to increase above the AoC recommended rate.

2. Approval of three-year Financial forecasts

Governors approved for submission to the LSC a three-year financial forecast which showed the College remaining in the highest category throughout the period.

3. Management Accounts

Governors noted that the College's finances appeared to be in very good order, with an expected end-year operational surplus substantially better than budget.

4. Audit

Governors were pleased to note that the final round of Audit reports had found few matters for recommending improvement, and had confirmed that the College's internal controls were sufficient and effective.

5. Standards and Performance Committee

The Board agreed to expand the remit of the Standards and Performance Committee to include oversight of the Colleges Quality Improvement Strategy.



SOUTHGATE COLLEGE GOVERNING CORPORATION

Governing Corporation

**Minutes of meeting of the 24th July 2008
held in the Committee Room of Southgate House, commencing at 7.30 p.m.**

PRESENT

Andrew Nicholas (Chairman)
Michael Blagden (Principal)
Bright Amponsah
Reshma Bell
Ola Fadoju
Chris Gill
Ron Lis
Mohamed Manjra.
Claude Pehrson
Martin Prescott
David Williamson
Ann Zinkin

In Attendance

Shah Alam	Director of Finance
Angélique Gainza	Vice Principal Curriculum
John Spindler	Vice Principal Resources
David Chaplin	}
Ana Lewis	} (Chaplin Frobisher Welling) Clerk to the Corporation

1. Minutes of the meeting of 3rd June 2008

Received: minutes of the meeting of 3rd June 2008.

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

2. Matters arising

2.1 Appointment of Principal (para 1)

It was confirmed that the contract of employment had been signed.

2.2 College Nursery (para 7)

This was to be dealt with at a later date.

2.3 Date of Governors' Review Day

It was agreed to bring this forward a week, to Thursday 11th December 2008.

3. Apologies for absence

Apologies were received from Paul Camp, Nadine Clarke, and James Edsberg.

4. Declaration of Governor interest.

No declarations had been notified.

5. Notification of items of any other business

No other business had been notified.

6. Governance matters

6.1 Standing Orders

Received: recommendations from the Clerk in respect of amendments to the Standing Orders

It was agreed to adopt the technical changes to the current standing orders required as a result of the revised Instrument and Articles of Governance.

It was further agreed to ask the Clerk to produce a revised and comprehensive set of "Governance Protocols", for review in stages by the Search and Governance Committee for eventual recommendation to the Corporation.

6.2 Terms of reference of the Standards and Performance Committee

Received: recommendations from the Standards and Performance Committee in respect of changes to the Committee's Terms of Reference.

The revised Instrument and Articles had laid upon the Board responsibility for formal review of the College's Quality Improvement Strategy, and the S & P Committee were of the view that this sat comfortably alongside their existing responsibilities.

The Committee were also recommending that a number of other "tidying up" changes be made to their Terms of Reference.

It was resolved to adopt new Terms of Reference (attached as appendix 1 to the official copy of these minutes) for the Standards and Performance Committee.

7. Academic matters

7.1 Standards and Performance Committee

Received: the minutes of the meeting of the Standards and Performance Committee held on 10th July 2008.

Governors noted that the Committee had considered a wide range of issues. GCSE results and Lesson Observations were broadly similar to the previous year.

Although the presented analysis did show improvement in Attendance and Retention Governors noted the lack of confidence in reliability of the data, and endorsed the view of the Committee that the incoming MIS Manager be given a clear and restricted brief to ensure that data relating to the twenty or so “mission critical” reports was accurate and timely.

8. Financial matters

8.1. Finance and Staffing Committee

8.1.1 Ann Zinkin gave a verbal report of the meeting held earlier in the evening.

It had been a long meeting, chiefly concerned with the Budget and Financial Forecasts on which she would comment later. The Committee had also received a presentation from HR Managers.

8.1.2 John Spindler gave a précis of the report on accommodation developments reported to the meeting. The College had received approaches from the Council to extend the “building partnership” beyond consideration of the Library and Grovelands Park, but the Committee had urged caution.

He also reported that appointments to the Design and Planning team had been made: appointments to date:

- Lawyers – Eversheds
- Project Managers – GVA Grimleys
- Design Consultants – Dyers

8.1.3 Michael Blagden gave a précis of the update on outcome of the Employment Tribunal costs hearing reported to the meeting; the College now expected to recover a substantial portion of costs incurred.

8.2 Draft Budget for 2008/09 Three year Financial Forecast 2008/11

Received: the draft Expenditure and Income budget in respect of Profit and Loss account for the year to 31st July 2009.

Received: the tabled three-year financial forecast (based on the budget detailed above as year one) for submission to the LSC.

Ann Zinkin explained that these two reports needed to be considered together, as the information necessary for approval of the Budget in respect of the Cash Flow and Balance sheet was only included in the Financial Forecasts.

Shah Alam outlined the main elements of the Budget. In respect of LSC funding, a smaller proportion was for the relatively certain 16-19 provision; funding for the employer-responsive provision, principally Train to Gain, was only made on actual recruitment and outcomes and was much harder to achieve. For this reason the budget had been built on a “worst case” scenario that only 80% of the available funding would be earned. Total income was budgeted at £18.74M.

The budget provided for pay costs to increase by 3%, including the AoC recommended 2.5% general increase. The Staff Member pointed out that this represented a cut in real terms with inflation running at 4% or above.

Total costs were budgeted at £18.64M giving a budgeted operating surplus of £100K; other income from bank interest and release from revaluation reserve would give a net surplus of £493K.

The preparation of the three-year financial forecast had only been completed that day.

There had been delay in preparation of both the budget and the forecast due to the very late notification from LSC of funding allocations. The Clerk confirmed that this had been a sector-wide problem.

The assumptions of the Forecast were reviewed; there was some scepticism on assuming that LSC funding strategies would remain stable. There was considerable discussion on the issue of Pension costs and it was noted that the proposed capital build was bound to have an effect on the College's Financial standing, although this remained high throughout the period

Ann Zinkin reported that the Finance and Staffing Committee had very serious concerns about the late presentation of the financial information; this was compounded by the F&S Committee immediately preceding the Board meeting; in future years a gap of at least one week should be scheduled.

Nevertheless the Committee was recommending adoption of the budget and authorisation to submit the three-year forecast to the LSC.

It was resolved to adopt the proposed Budget for the year to July 31st 2009 (attached to the official copy of these minutes as appendix 2), and to authorise the submission of the three-year financial forecast attached to the official copy of these minutes as appendix 3) to the LSC.

8.4 Management accounts for the period ending 30th June 2008

Received: summarised management accounts for the period ending 30th June 2008, balance sheet at that date and cash flow forecast to May 31st 2009.

Shah Alam spoke briefly to these accounts, which now incorporated the estimated year-end out-turn.

The year-to-date net surplus was well ahead of budget, and the year-end outcome would be significantly better than anticipated.

8.5 Funding Performance 2007/08

Received: Funding Performance statistics as at 17th July 2008.

The Board noted that achievement of funding was almost exactly that allocated, and congratulated those concerned in managing that achievement.

9. Audit Matters

Received: minutes of the Audit Committee meeting held on 17th July 2008.

Mohamed Manjra reported that the Internal auditors had given a very positive report on the College's Internal Control environment, which compared well with that of similar Colleges. The College had reviewed the Risk Register, and agreed with the Auditor that the College had adequate processes for the identification and management of Risk

The Committee had agreed arrangements for the tendering of both Audit contracts.

10. Future meetings

The dates of future meetings were noted as 23rd October 2008 and 11th December 2008 (**Review Day, changed date**)

The meeting closed at 8.10 p.m.