

Minutes of the Finance, Estates & Marketing Governing Body Committee Meeting held on Thursday, 11 June, 2009 at 8.00 am

Present: Mr Gerry Hill (Vice Chair)
Mr Rod Hill (Chair)
Mr Rob Peacock (Principal)
Fr Felix Stephens
Dr Christine Tyler

In attendance: Mr Nick Burnham (Vice Principal)
Mrs Michelle Williams (Director of Resources)
Mrs Lenore Burgess (Finance Manager)

Clerk Mr John Perry
Minuting Clerk Mrs Alison Fishwick

1. Declarations of Interest

None.

2. Apologies

Apologies were received from Mr Christopher Ashcroft and Mr John Fogarty.

3. Minutes of the meeting of Friday, 6 March, 2009

The Minutes were agreed as a correct record and signed by the Chair.

4. Matters Arising

Agenda Item 4 Matters Arising (A18) – The Financial Regulations (Page 2)
– The Director of Resources confirmed that training for staff on The Financial Regulations is still planned.

Agenda Item 8 Financial Update January 2009 (Page 4) – Governors noted that the LSC repayment claim process seems to be back ‘on track’.

5. Financial Update May 2009

The Director of Resources drew Governors’ attention to key elements of the report which, Governors noted, are produced in the Reporting Style statutorily required externally. The report also indicates that the College is planning for a deficit:

5.1 **Item 4 - Income-Analysis of key variances** – Governors noted that the £15k Utilities debtor to Kier Ltd as detailed on Page 2 has now been credited following investigation of its validity.

5.2 **Item 5 - Staffing** – Governors noted that the £28,810 favourable on staffing will be re-distributed to the reserve balance.

- 5.3 **Item 6 – Non-pay** – Governors noted the £43k adverse for Estates. The Director of Resources explained that there will be an overspend by the end of the year due to increased utility bills. Although the pattern of usage has remained the same, additional costs have been incurred with provision of services to the mobile accommodation.

The Director of Resources reported that a significant amount of time has been spent reviewing the budget and identifying ways of producing a more positive outturn rather than the planned deficit. Governors asked whether college staff are aware of the need for the College to make savings. The Director of Resources responded that staff are aware, particularly in respect of the staffing position, however more regular updates may be required.

- 5.4 **Capital Project Summary** – Governors noted the Contingency had been reduced to £58k which is the correct profile for the time of the programme.

- 5.5 **Balance Sheet** – Governors noted the draw down of £5m from the Revolving Loan and the current ratio.

- 5.6 **Activity Report** – Governors noted the anticipation that the LSC will reconcile and reclaim underachievement of adult learner responsive funding and that the College has accrued £35k to go some way in meeting this claim.

- 5.7 Governors noted that the College is currently in “*sound financial health*”.

- 5.8 The Chair referred to the significant variances within the budget and how these will be taken into account when planning for 2009/10 adding that it was crucial that resources are managed and that the College plans for worst case scenarios. The Chair suggested that College Management should consider how the College could cope with an immediate financial downfall of say, £500k. The Principal assured Governors that such strategic discussions have taken place within the College Management Team. Governors noted that recruitment for 2009/10 is buoyant, the concern now is the level of LSC funding per head.

The Chair requested that a brief report be prepared for the next meeting of this Committee outlining how and what the College could achieve financially at short notice if required.

The Committee noted the Report

6. Financial Forecast and Commentary

- 6.1 The Director of Resources explained that the document sets out the operating budget for next year and is a requirement of the LSC. She drew Governors’ attention to Point 1.7 on Page 1 which states “*This forecast has been prepared on the basis that will allow the College to manage future financial challenges. In particular, the pressure exerted*”

on revenue streams as a result of the national financial climate and pressure to secure and fund the successful completion of the entire College property strategy”.

- 6.2 **Table 4 Funding Allocation 2008/09** – Governors noted the reduction in SLN/Learner Ratio of 1.60 to 1.55 reflecting the withdrawal of funding associated with the delivery of the accredited General RE programme. The Director of Resources added that the Final Allocation may not be “Final” as the LSC may decide to fund additional students. However, no growth is planned over the next three years.
- 6.3 **Pay expenditure changes anticipated** – Governors noted that the Pay award is estimated at 2.0% for 2009/10. However, 2.3% is expected for school teachers. There is a move to phase it so that it comes in at 2.0%.
- 6.4 Governors noted percentage of pay to income is currently 76% and it is planned to maintain this percentage. The College is currently entering into a benchmarking exercise with similar institutions.
- 6.5 **Sensitivity Analysis** – more work is planned.
- 6.6 **Conclusion** – Governors noted *Table 8 Financial Health* which shows that the College is self-assessed at satisfactory over the next three years. The Capital Uplift has raised the health of the College from inadequate to satisfactory.
- 6.7 **Governors approved the Carmel College Financial Forecast 2009-2012.**
Governors approved the 2009-2010 Forecast as the operating budget for 2009-2010. Governors agreed to recommend the Financial Forecast to the Governing Body for approval, paying particular attention to the Pay Expenditure and the Sensitivity Analysis.

7. Procurement Policy: Update

Governors noted the report and enquired about the savings made as a result of implementing the scheme. The Finance Manager responded that for each transaction 29p can be claimed.

Governors approved the contents of the report.

8. Issues relating to the Capital Project

Governors noted that further information will be presented at the Accommodation Working Party following this meeting. However, the Director of Resources tabled a paper detailing how the College could afford the proposed new entrance in light of the funding issues with Phase 2. This will also be considered at the Accommodation Working Party. The Director of Resources added that no decision will be made until the proposal had been considered and approved by the appropriate committees.

9. Transport Arrangements 2009-10

Governors approved the transport arrangements for 2009-10.

The Director of Resources added that collecting transport income from students via monthly direct debit had led to some difficulties. The arrangement now is for monies to be paid upfront.

Governors noted and approved the contents of the report.

10. Discretionary Support Fund Guidance 2009-10

Governors did not feel that the guidance document was 'user friendly' as it does not focus on the learners of Carmel College. The Finance Manager explained that the guidance document has been taken from an official site. Governors recommended that either it be adapted to 'Carmel speak' or if it remains as a DSF documents then it needs to reflect this in the title.

Governors noted the contents of the 09-10 DSF Policy and approved its contents subject to the implementation of the recommendation.

11. Accident Report

Governors noted no underlying trends. Reporting of accidents has been encouraged which has resulted in additional entries to the report. Governors suggested that for the future the more serious incidents should be highlighted for action with the aim of avoiding reoccurrence.

Governors noted the report.

12. Staff Absence

The Vice Principal reported that absence levels had been good this year. The increase in absence is mainly within the cleaning staff section but this is being actively managed by the College. The Vice Principal was particularly pleased to highlight the low cost of cover arrangements and the minimal use of agency staff.

Governors noted the report.

13. Report of the Internal Auditor : Capital Projects 2008-09

The Clerk drew the Committee's attention to the conclusions of the Internal Auditor in the report on Capital Projects which concluded that the Committee was undertaking its role effectively and appropriately.

Governors noted the contents of the report.

14. Any Other Business

None.

15. Date of Next Meeting

The Chair indicated that he would not be available for the next scheduled meeting date and the Clerk undertook to consult members of the Committee as to their availability for an alternative date.

Governors were concerned that if the Committee is to be followed by a meeting of the Accommodation Working Party, more time should be allowed for its own deliberations.

Signed by the Chair

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On this day

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