

CORPORATE GOVERNING BODY OF GODALMING COLLEGE

Minutes of a meeting of the Finance and Estates Committee of Godalming College held at the College on Monday 14th June 2010 at 6.30pm

Present: Brenda Jenner (Chairman)
David Adelman (Principal)
Michael Laver
Hugh Pile
James Skeet

In Attendance: Martin McCarthy (Director of Services)
Shaneel Shajpal (College Accountant)
Stella Halloran (Clerk to the Corporation)

ACTION

1. Apologies for absence

There were no apologies – all were present.

2. Declaration of Interests

Michael Laver declared an interest in Item 11 (3) – Nursery Provision.

3. Minutes of the meetings held on 1st March 2010

The minutes were approved and signed.

4. Matters arising from the minutes of 1st March 2010

Item 4 - Catering

Martin McCarthy informed governors that all was going well and that there was nothing to report.

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McCarthy

Item 4 - New Accounting System

The College Accountant reported that all was going well with the new accounting system. Electronic reports were available to all budget holders and electronic ordering was about to be rolled out. Some consultancy was being bought in during July to further enhance the system.

Item 4 - BTS pensions

The Principal reported that he had eventually had a reply from S.C.C. Pensions which clarified the reasons why the College should pay the pension costs for those who had worked for BTS. Once all the invoices had been received, they would be paid.

Item 4 - Funding following changes to LA

The transfer had apparently gone smoothly and the funding had been received in the same way as under the LSC.

Item 4 - Disaster Recovery Plan

There was nothing additional to report.

Item 9 - 900 windows

Planning permission had been granted, with the condition that some landscaping work would be done. The windows would therefore be replaced during the Summer holidays.

5. Management Accounts for the year to 30th April 2010

Shaneel Shajpal took the meeting through the accounts to 30th April 2010. It was noted that:

- On income there was a positive variance of £22,539 with an anticipated positive year-end variance of £20,000.
- Currently there was a lower than anticipated spend on payroll costs, but due to the staged pay increase, this was expected to even out by the end of the year.
- Both equipment and administrative costs were expected to be lower than budgeted by year-end.
- The Estates expenditure showed a negative variance of £26,513. The BTS on-going expenditure for the rent on Guardian House was released against the accrual from the 2008/09 accounts and therefore was resulting in a positive variance.
- Overall the College was in a favourable position, having a favourable variance of £255,707 to the original budget.

The Key Ratios showed that 71.5% of the budget was being spent on pay and that the current ratio was 1.19 and improving.

The 'Financial Health' rating at the end of April was 'Satisfactory': however this has changed, with the figures to the end of May, to 'Good'.

The expenditure on photocopiers was questioned, and it was explained that the photocopier from BTS was brought to the College as there were on-going costs associated with it.

6. Provisional Draft Budget

The draft budget for 2010/11 was presented and the following highlighted:

- The budgeted income of £9,078,811 represented an additional amount of £79,895 over the current year. The Unit of Resource had been assumed to remain at this year's figures, but there was an increase number of learners being funded; hence the increase in funding.
- A pay increase of 1.5% had been allowed for, although at present there was no indication of what the pay increase would be. The budget incorporated the efficiency savings of 2 FTEs.
- Equipment costs allowed for the bare essentials only and reductions had been assumed in capitation and marketing budgets. Otherwise standstill was assumed. The energy budget was questioned; it was difficult to see how this could be reduced. It was agreed that the Premises budget would be re-visited by the College Accountant before the Main Corporation meeting.
- The total budgeted expenditure for the year was £8,872,252, which included a £62,231 increase in expenditure on the current year.

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The result of this was a deficit budget of £415,844. However the cash position would be positive and improving throughout the year, with a Financial Health rating of 'Good' throughout.

It was agreed that the 2010/11 budget would be recommended to the

Corporation at the June meeting for approval.

7. Three Year Financial Plan 2010 – 2013

The Plan was tabled at the meeting and incorporated the budget for the 2010/11 year and a further two years. It was a requirement of the LA (Local Authority) and the YPLA (Young People's Learning Agency) that this exercise be completed and returned to them by the end of July 2010; the reason for this was that the authorities wished to identify colleges that were in a precarious position (this did not apply to Godalming).

It was noted that the Financial assessment throughout the three years was 'Good', that funding was assumed to remain static and that costs were assumed to rise slightly. Depreciation on total fixed assets would have started to reduce. The cash flow showed an increase to 2012 and a standstill by 2013.

It was agreed that at present it was very difficult to accurately forecast further than 12 months ahead, but that it did provide a basis for future planning.

The committee recommended approval of the Three Year Budget Plan to the Corporation.

8. College Development Plan 2009/2010 – June update

Those sections of the 2009/2010 plan that were pertinent to this committee were considered:

- 36,37 and 38 had been considered earlier in the agenda
- the Accommodation Strategy would be discussed later in the agenda.
- 44 – small reductions in staffing had been made
- 48 – the Marketing Strategy had been approved by the Corporation
- 57,58 and 59 – progress was being made. The Principal considered that the College had one of the best ILT structures in 6th Form Colleges.

The updated sections of the Development Plan pertinent to the Finance and Estates committee were recommended to the Corporation.

9. Risk Register

2.2 The high impact risks identified that were of potential significance were noted to be dependent on future funding.

4.2 There were risks associated with capital projects – minimal risks needed to be built into plans for any such projects.

The Risk register was regarded as satisfactory.

10. Accommodation Strategy

Martin McCarthy outlined the process that had led to the new Accommodation Strategy and explained the priorities in the new document.

He reported that there had been significant progress made in meeting the aspirations set out in the previous strategy with the completion of three new buildings, the Piazza and refurbishment of the main building.

In assessing the need for new work, the utilization rate (how much each space was used) and the condition and fitness for purpose of that space were assessed.

This resulted in the conclusion that the main areas that needed to be actioned were:

- 4th build to provide better teaching space
- the need for more social space for the students
- canteen facilities

Details of how to move forward with these projects were detailed (Sections 8 and 9).

Governors were very impressed with the document, which confirmed the anecdotal observations that they had heard. Martin McCarthy was thanked for putting together such an impressive document.

With a few minor modifications of wording, the Accommodation Strategy was commended to the Corporation for approval.

11. Estates

It was agreed that part of this item would be treated as confidential.

- Aerial – The aerial was still on the College roof, but O2 had put forward a proposal to replace it with a single pole aerial at the side of the College. Neighbours had written objecting to this positioning, but there was currently no formal planning proposal – governors would be kept informed of developments.

(Michael Laver and James Skeet left the meeting at this point)

- Nursery – Major Minors, a provider of nursery education had approached the College with a proposal to build and run a Nursery provision on the College site. Having read their proposal governors agreed that the benefit to the College did not outweigh the disadvantages. There were issues with the site proposed, car parking and no great return on the investment needed.

The idea of some sort of nursery provision was not ruled out, just this proposal.

It was therefore agreed that the recommendation to the Corporation would be not to proceed further with this proposal.

13. Dates of meetings for the 2010/11 academic year:

Subject to Corporation approval, the dates would be:

Monday 22nd November 2010 at 6.30pm

Monday 28th February 2011 at 6.30pm

Monday 13th June 2011 at 6.30pm

The meeting closed at 8.35pm

Signed:

Date:

