

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 21st November 2011 at 6.30pm

Present: Brenda Jenner (Chair)
David Adelman (Principal)
Michael Laver
Hugh Pile
David Roberts
Sharon Ward

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

ACTION

1. Apologies for absence

There were none – all were present.

2. Declaration of Interests

No member had any interests to declare on items on the agenda.

3. Minutes of the meetings held on 13th June 2011 and 27th September 2011

The minutes were approved and signed.

4. Matters arising from the minutes of 13th June

Cleaning Contract

This had been extended for a period of 12 months and would be re-tendered in the new year.

Bonus

No proposal would be brought to governors this term. There were many issues to consider involving any revisions to our funding basis as well as student numbers.

5. Accounts for the Year to 31st July 2011

Shaneel Shajpal drew the attention of the governors to the following:

- Page 15 of the accounts – Income and Expenditure
Income was similar to last year and the College was managing on this amount. The surplus for the year was £15,000.
- Page 17
Total assets £14.9 million, which was very healthy.
Total reserves £12.9 million.
The cash at the bank and in hand had risen from £804,000 last year to £1,473,000 this year. This was in large part due to pensions liability being reduced.
- Page 19 – page 21: Accounting Policies
It was considered good practice for this committee to review these and agree them. There were no real changes to the policies. They were agreed.

- Page 36
The FRS exceptional charge would not be repeated.

Some changes were suggested to the text accompanying the figures.

CLERK / S
SHAJPAL

The Representation letters for Regularity and Financial Statements Audit were agreed.

The comparison of results to forecast showed that:

- Income was £122,000 better than budgeted at the start of the financial year largely due to additional ALS claims and a YPLA capital grant of £43,000.
- Out-turn on payroll was £83k lower than budget
- IT spend was £52k below budget, due to decisions to replace only essential items.
- Administrative expenditure was £4k above budget, due to an overspend on photocopier charges.
- Estates showed a saving of £47k against budget.
- General education expenditure (exams, student support etc) showed an underspend of £13k.
- Overall the outturn was £442,000 better than budget.
- As a result of the above, depreciation was £96,000 lower than that budgeted.

Governors congratulated the Principal and College Accountant for coming in under budget.

This was a good outcome and gave a financial health assessment of 'Outstanding' (up from 'Good' last year).

The accounts for the year to July 2011 were agreed and recommended, together with the Representation letters for Regularity and Financial Statements Audit, to the Corporation meeting in December for adoption.

6. Management Accounts to 31st October 2011

The following points were highlighted by Shaneel Shajpal:

- At the end of October the budgeted income of £2.9 million was below that expected, but was not of any concern – he expected it would balance out over the year.
- Salaries were £23,000 below budget although this a £20,000 overspend was expected for the year.
- Equipment – IT expenditure all happened over the Summer and has skewed the variance.
- Administration – the new photocopying and printing contract has resulted in a saving..
- Estates – £124,000 ahead of budget but the £57,000 Summer works were attributable to last year.
- The General Education cost centre was lower due to timing issues – it was anticipated that this would be spent. Marketing was overspent by £7,000 because of subsidising a bus service.
- In total £244,639 less than budget had been spent to the end of October 2011.

- The overall position was acceptable, although it was very early in the financial year.
- The cash flow forecast showed healthy balances throughout the year, with a lower point in March 2012.

On these figures, the current financial health rating was 'Outstanding'.

Governors accepted this report.

The number of students at the College would determine the ease, or otherwise, of dealing with the funding cuts.

The principal reported that this year's figures had hit the target of 1770 students. However, recruitment for next year was proving more of a problem – the climate was difficult and more competitive. If the College was unable to meet the 1800 mark for next year, the financial stability of the College would be more difficult to maintain.

7. 16 - 19 Funding Formula review Consultation

The Principal had circulated a paper to members of the committee outlining the consultation.

He informed governors that it was possible that the College would be looking at a 30% cut in real terms by 2012-14, as the result of the outcome of this consultation overlapping with the current round of cuts.

There was a lot of opposition to the proposed formula and last week had seen a week of Sixth Form Colleges action on funding. It seemed that the cuts to Sixth Form College funding was being lost in the greater education budget debate.

The Sixth Form College Forum conference on Thursday 24th November might present an opportunity for Hugh Pile to renew his dialogue with Lord Hill on the matter.

The Finance and Estates Committee expressed its deep concern about these inequitable cuts and the concomitant quality of education that the College would be able to provide.

The Principal reported that there was still time for movement on this, as the consultation period did not end until January 2012, and that he and the Chair of the Corporation would be meeting Jeremy Hunt MP later in the week. The principal had also written to the MP.

The letter that the Principal had written to Jeremy Hunt would be forwarded to all members of the Chairs Forum.

8. SARs

It was agreed that the ILT Systems, Marketing, Finance, Services and Resources and Environment SARs would be considered alongside the next item – College SAR and Plan.

9. College SAR and Development Plan 2010/2011

Review of 10/11 Development Plan:

Section 5, items relevant to this committee had been reviewed throughout the

past year and were accepted.

2011/12 Development Plan

The following items were of relevance to this committee:

36 – a general statement of intent

37 – Wisepay had been introduced to allow parents and students to pay for trips etc on-line.

38 – discussed above under funding cuts.

39 – 41 – the new silent study area was working well as evidenced by the student governor present. There was a plan to improve signage and social space in order to support the growing number of students.

42 – an investigation was to be undertaken into the benefits or otherwise of letting out College facilities to raise income. Several organisations had shown an interest.

45 – the new photocopiers and printers had been installed and after some teething problems were working well.

52 – A subsidised bus service from the Farnham area was being proposed.

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

10. Controls and Safeguards and Risk Registers

Members noted the risks identified and possible impact upon the College.

The highest risk would be the funding cuts imposed by the government.

Governors asked about the proposed strike for November 30th. The Principal indicated that he was looking at a 50% cut off mark – fewer than 50% of lessons happening would indicate closing the College for the day.

3.2 was no longer considered a high risk and could be downgraded to 1/1.

11. Health and Safety Policy

There were several minor amendments, mostly personnel changes and additional sections to include more personnel in charge should those initially indicated be unavailable.

These amendments were agreed and the policy recommended for agreement to the Corporation at their December meeting.

12. Estates

- *Building Condition Improvement Fund*

Martin McCarthy reported on the successful completion of the Summer project partly funded by this one-off grant from the YPLA. As a result the condition of the student dining area had risen from C to B. It could now be used more fully and let out. David Roberts commented that the cafeteria area is much improved although still not big enough.

- *Wey Valley Solar*

Solar panels had been installed under this scheme on the Sports Centre and were being installed on the 900 buildings this week. The project allowed the College to get half its electricity free and the rest at a reduced price. It should save the College between £5,000 and £6,000 a year in electricity bills.

The agreement was for 25 years after which the panels become the

property of the College.

- **Aerial**
O2 had proposed to replace the current aerial with a single pole aerial – in the same position on the roof. Plans were considered; however, planning permission had not yet been granted. It was suggested that, once planning permission had been granted, the College talk to an independent consultant to obtain a guide on rental. This was agreed.

Other Estates matters were taken as confidential.

13. Date of next meeting:

The next scheduled meeting of this committee would take place on:

Monday 5th March 2012 at 6.30pm.

The meeting closed at 8.15pm.

Signed:

Date: