

GOVERNING BODY

FINANCE & RESOURCES COMMITTEE

Minutes of the non-confidential part of the meeting held on Thursday, 30th April 2009 7:00pm at the Parkshot Centre, Richmond

Present:	Mr T.C. Lim (Chair) Ms Christina Conroy OBE, Principal and Chief Executive Ms Louise Fluker Mr Sylvester Olutayo Mr Tony Hooper (Non-Governor member)
In attendance:	Ms Gabrielle Flint, Vice Principal (Curriculum & Quality) Ms Judith Potter, Vice Principal (Finance and Corporate Services) Ms Anna Brekkeflat, Director of Finance & Information Services Mr Paul Coveney, Clerk to the Governing Body
Apologies:	Mr Kevin Finnigan

Part 1: Non-Confidential Items

1. MINUTES of the meeting on 19th March 2009 were approved as a correct record and signed by the Chair.
2. MATTERS ARISING
There were none.
3. DECLARATIONS OF INTEREST
There were none.
4. MANAGEMENT ACCOUNTS AND CASH FLOW MANAGEMENT TO FEBRUARY 2009
The Director of Finance & Information Services drew the attention of the Committee to the areas of main concern:
 - the College's Employer Responsive targets were very challenging, a shortfall would possibly affect allocations funding for 2009/10, and the College was adding new courses to help towards meeting the target, and
 - the need to release the costs of the Capital Project in 2008/09 appeared likely to reduce the forecast surplus for the year to £18K, instead of £568K.

In response to the Committee's question, the Director of Finance & Information Services said that, with the March numbers now available, both income and expenditure appeared to be in line with the forecast.

The Committee noted the Management Accounts.

5. ENROLMENTS AND FUNDING
The Director of Finance & Information Services reported that, in recently published letters, the LSC was now guaranteeing places for 16-18 Funding. The College also expected to hear within a few weeks whether it had been successful in applying for £250K of Funding (of which half would be available in 2008/09) in connection with the Government's "six month guarantee". The College had good links with the local Jobcentre Plus, which put it in a strong position to identify learners qualifying for these funds.
The Committee reviewed the 16-18 funding: the College was over its SLN target, but below its Learners target. The Vice Principal (Finance and Corporate Services) reported that the ratio between the two had changed, and that the LSC had based its allocation on the College's profile in 2006/07, when its 16-18 provision was very different in nature. The Principal said that, in

purely funding terms, it had provided too much to the students, but it had done so because it was in the students' best interest to matriculate.

The Committee observed, in relation to Employer Responsive Funding, that the LSC payment rules incentivised the College to sign up as many students as possible in the first part of the year, which had been difficult for RACC in 2008/09 because of the problems with provision at that time.

The Committee noted the Enrolment and Funding update.

6. FEE POLICY 2009/10 HEADLINES

The Vice Principal (Finance and Corporate Services) reminded the Committee that it would be asked to approve the fees and charges policy for 2009/10 at its next meeting. At this stage, the College wished to advise the Committee of the approach it wished to take for next year.

F&R

The College had now received its indicative allocations for Adult Responsive Funding, which would be subject to only minor change, and had seen a reduction of 10% compared with 2008/09. This reduction had been most severe in terms of Developmental Learning, and less so in the case of Full Level 2, Full Level 3, Foundation Level Tier and Skills for Life.

The College expected a significant increase in the profitability of Employer Responsive Funding for 2009/10, since it planned to undertake much more direct provision, significantly reducing the use of training service partners for continuing learners only. The fees target was rigorous, but necessary to compensate for the increase in LSC fee assumptions.

The Committee requested that the numbers be presented to the next level of detail at the Governors' Development event on 18th May.

JP

The expenses figures at this stage were derived top-down, but would be bottom-up numbers when the Committee was asked for its approval. The College's assumption on the cost of living pay increase was 0.5%, although the Principal advised the Committee that teachers in schools had signed a 3-year pay agreement which would bring them an increase of 2.7% next year. The College planned to keep the staff FTE numbers the same, although there would be changes to the actual staffing within that number as areas expanded and contracted.

Other costs would be trimmed wherever possible. The Committee enquired whether the moratorium on the Capital Project would force the College to spend more on estates maintenance, and the Vice Principal (Finance and Corporate Services) replied that there would be such pressure, but the College would consider what alternatives to the Capital Project were available.

Considering the outline fee policy, the Committee asked how effective free tasters were in generating income. The Principal replied that c. 50% resulted in registrations. The Committee believed that the free tasters and recession busting reductions were good for the College's reputation, as was the fact that over 50% of the College's students received help with their fees through bursaries, instalment payments and other forms of financial assistance.

The Committee noted the College's approach to the 2009/10 fee policy and budget with approval.

In the context of the fee policy, the Committee considered the 23 April AoC survey report on Adult and Employer Responsive LSC Funding, noting in particular that the reduction in the College's ALR funding was more than twice the average across the 58 Colleges represented in the AoC survey.

7. RACC BENCHMARKING

The Committee reviewed a summary of the LSC benchmarking reports re financial and premises data, noting that the College's high energy costs were largely due to the use of oil to heat Clifden, and that this had been identified as part of the case for the Capital Project.

8. AoC PAPER ON COLLEGE PENSIONS

The Committee reviewed "The costs of providing for the future" paper from the AoC dated Spring 2009. The Committee had in the past expressed concern about the College's pension costs, and had asked whether the College could discontinue the LGPS for Business Support staff. The AoC report cited the legal requirement that every staff member has the inalienable

right to belong to the scheme: alternatives can be offered, but all staff must be informed of the LGPS and its benefits, and be allowed to join it if they so wish. The Committee considered that this was a good report, and requested the Clerk to distribute copies to all Governors at the Governors' Development event on 18th May 2009.

Clerk

9. IT DISASTER RECOVERY

The Vice Principal (Finance and Corporate Services) reported that there had been a flood in the Clifden IT room, which was situated under a lead water tank. The damage had not been severe, and the water flow had now been diverted. She advised the Committee that a test of restoring data from the remote backups was planned for May 2009, and that the College intended to appoint an IT Project Manager, whose responsibilities would include examining disaster recovery options.

JP

10. HEALTH & SAFETY REPORT

The Vice Principal (Finance and Corporate Services) said that the report now included an analysis of accidents, as requested at the previous meeting of the Committee.

The Committee considered the risks of the possible swine flu pandemic, and the Principal reported that she received regular updates on the national and local situation from the PCT Director of Health.

The Committee noted the Health & Safety report.

11. ANY OTHER BUSINESS

There was none.

This part of the meeting ended at 8:45 pm

CHAIR