



Greenhead College Corporation

Finance committee meeting held on Monday 30 November 2009

Present: Peter Skuse (Chair) Martin Rostron
William Redman Sue Creamer
Mark Hanson Mark Partington
Eva Lambert Charles Kaye
Liz Ryan

In Attendance: John Blake College Business Manager
Debra Todd Clerk to Corporation

1 Apologies for absence

There were no apologies received.

2. Minutes of previous meeting

The minutes of 12 October 2009 were accepted.

Resolution: 09/73

Resolved: That the minutes be signed as a true record.

3. Matters arising

The Chair raised the issue of the relationship between the Finance and Buildings committee. Now that a large scale build is no longer an option it seemed wise to disband the informal buildings committee and amend the Finance committees terms of reference to include a responsibility "to review the accommodation needs of the College". This was accepted and will be recommended to members at the December meeting.

Resolution: 09/74

Resolved: The revised terms of reference are recommended at next Corporation meeting.

4. Financial Statements for year ending 31 July 2009

The financial statements had been circulated with the papers. The College Business Manager informed the meeting that the accounts had been analysed by Grant Thornton who advised that the College was in a very satisfactory position. The statements were discussed and accepted.

Confirmation had been received from the LSC to say that the refund for costs incurred due to the feasibility study had gone into the College bank accounts (£100K).

Resolution 09/75

Resolved: That the Financial Statements be recommended to the full governing body.

5. Financial Accounts and Financial Accounts commentary

The accounts for the period August – October 2009 were discussed. Members felt that they would like the figures presenting in a way that showed as much comparative information as possible (last year at the same stage and also against budget to date). Concern about meeting the budget was expressed. The following was agreed:

- revised figures would be distributed to show the spend year to date
- the corrected previous month's figures would be distributed
- budgeted figures for each quarter would accompany

6. Key Issues Memorandum

The Key Issues Memorandum had been discussed at the last audit meeting. One suggestion had been made in connection with the College asset register which the auditors found to be unnecessarily complicated, this will be addressed.

It was felt that the amount spent on teaching salaries demonstrates why the college is so successful; it was noted that the figure presented did include support and ancillary staff wages and possibly other SFCs did not include this figure: this would be researched by the College Business Manager who will report back at the next meeting.

Resolution 09/76

Resolved: That the Key Issues Memorandum is accepted.

7. Any other business

Financial Health grading

The College's financial grading has previously been rated as 'outstanding'. Recent correspondence from the LSC had been received to say it is now 'good' for 2008/9. The Principal felt that the LSC should take into account the underlying position and suggested the college should appeal; this was agreed by members.

The Principal agreed to take this forward and draft a letter of appeal which would be shared with the Chair. A copy of this letter would be available for members' consideration at the next Corporation meeting.

Funding so far

The Principal advised that he had met with representatives from the LSC and LA to discuss funding for the College in 2010-11. He was advised that it is thought by the Government, that there will be 2% fewer students coming through next year and that because of this and other factors, there would be a cut in the funding position offered. The worst case scenario could be a 5% cut (around £450,000); there is a great deal of unpredictability at the moment. Members expressed concern that this may impact on the number of places we can offer – the Principal stated that this would not pose an issue as there will be little movement nationally in student numbers.

The Chair summarised and concluded by asking for prudence from all quarters as we remain extremely mindful of the possibility of difficult times ahead.

The Business Manager will work on a contingency plan which would identify potential savings that the College could make, and consider areas where the College could possibly charge; it was suggested that outsourcing of ancillary services (catering, cleaning) could represent significant savings and this is one area that should be explored.

The Principal concurred and said that whilst efficiency savings were welcome, it was very important that this did not impact on staff morale.

Meeting closed at 6.36pm

Minutes approved:

Signed:

Peter Skuse

Chair of Finance Committee