

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 3rd MARCH 2009 (deferred from 24th February 2009)

PRESENT:

Committee Members John Barker (Chair), Liz Kershaw, Eugene Tumelty and Derek Lyon
In Attendance Dave Kelly (Principal), Alan Eccles (Chief Finance Officer)
Clerk Ed Elvish

Apologies

1 Conflict of Interest

Members confirmed that they had no conflict of interest with the business of the meeting as detailed in the agenda.

2 Minutes

Documents received:

The Minutes of the meeting held on Tuesday 25th November 2008 were agreed and signed as a correct record.

3 Matters Arising

There were no matters arising

4 Half Year Management Accounts

Documents received:

- Summary Management Accounts for the period ending 31st January 2009

Alan Eccles reported that the College was £23,000 down on projected income but this was not a matter for concern as it was due to the timing of an LSC grant.

It is anticipated that pay will be over budget for the whole year as a consequence of

1. Long term sickness and maternity cover being higher than usual
2. The need to provide for more students than target and for whom additional funding has not been provided

Non-pay expenditure is projected as coming out under budget due to a reduction in maintenance costs on the existing building pending its replacement. Overall, a break even budget is predicted for the end of the financial year.

Cash flow forecast is even more difficult to forecast due to uncertainty about the building project and in particular the effect this may have on the date on which the borrowing already agreed in principle becomes necessary.

In response to a question the Principal confirmed that the present underfunding will be compensated for in the following year.

5 Management Statistics - Targets

Documents received

- Management Statistics - Targets

It was reported that there was a need to revise targets as the College moved into the Buildings Project. As far as current assets the intention was to keep just enough available in order to pay bills. The operating surplus, as with the two previous indicators, is dependent on progress with the building and will temporarily be set at 0.1 until the next meeting pending news on the LSC's decision on capital release.

As has previously been reported and was again identified in the LSC Audit visit. it is accepted that the pay expenditure as a % of total is high. However this is largely due to the age and experience of staff, along with the limited use of outsourcing and is therefore unlikely to be receptive to an easy solution in the short term

6 Funding 2009-10

The Principal informed the meeting that confirmation of levels of 16-18 funding was expected at the end of the month. At present he was optimistic about an increase in numbers of funded students but, without notification of the unit of funding per student, estimates of overall funding levels were not yet possible