

## Ruskin College

### Minutes of the Finance Committee meeting held on Thursday 18 June at 11.00am

**Present:** David Norman (Chair). Audrey Mullender, Fiona Sloman

**In attendance:** Sally Courtney, Chris Wilkes, Denis Gregory, Rebecca Cox (Clerk)

- 1 **Apologies for absence** Action  
**Noted:** that apologies had been received from Sue Ledwith, and Denis Gregory was attending in her place. Apologies had also been received from Jane Dixon, who would be taking over as Chair of the Finance Committee in the next academic year.
- 2 **Minutes of last meeting.**  
**Approved:** as a correct record the minutes of the last meeting held on 1 May 2009.
- 3 **Matters arising not covered elsewhere on the agenda**  
**Received:** report on College investments.  
**Noted:** the Finance Director summarised the report, outlining the options for investing the money that had been released from the Julian Hodge account.  
**Agreed:** that the Finance Committee required the formal Standard & Poor's rating for each bank currently holding College funds, and any institutions recommended for future investments. These should be brought to the next meeting. In the meantime, funds released from Julian Hodge should be deposited with Close Brothers in a three-month notice account in order to accrue interest. SC
- 4 **Financial report on 2008/09**
  - 4.1 **Received:** report on the position at the end of April 2009.  
**Noted:** the Finance Director summarised the report, in particular:
    - **Income:** there was now more clarity regarding the LSC money and, following advice from the auditors, those funds that were not at risk of being clawed back had been released into the profit and loss account. Bookings for the summer school were almost at their maximum, which would generate income of around £30K.
    - **Pay expenditure:** the exact end of year liability for visiting tutor costs had yet to be confirmed, but it was expected that there would be a £40K saving on budget.
    - **Deficit:** it was forecast that there would be a deficit of £180K - £190K at the year-end, due largely to the disappointing tuition fee income which would be discussed later in the meeting. It was noted that other adult residential colleges were facing high deficits and also, in at least one case, compulsory redundancies.
    - **Cash flow:** the cash days had improved, but concerns were expressed regarding the forecast operational cash flow position in March and April 2010. It was noted that this was a pattern that occurred each year, which was related to when income was received. The position would be expected to improve later in 2010.
  - 4.2 **Received:** verbal report on debtor write-offs over £500.  
**Noted:** that the internal auditors had recently advised that the Financial Regulations stated that all debtor write-offs of more than £500 should be

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reported to the Finance Committee. The Finance Director reported one possible write-off, which was in fact an LSC rather than a Ruskin debt and would therefore not show in the College accounts.

**Agreed:** that this would remain as a standing agenda item, but would be reassessed when the Financial Regulations were reviewed next year. The limit of £500 had been set at an earlier date and would need to be raised to ensure that the Finance Committee were informed only of significant write-offs.

### 5 Capital Project - update on funding

5.1 **Received:** itemised account of expenditure on the Capital Project to date.

**Noted:** the detailed account of how money had been spent on the Capital Project between September 2006 and May 2009.

**Agreed:** that this was a most helpful document and the information contained within it could be shared as it was in the public domain.

**Noted:** that there were concerns amongst staff about the amount spent on 'consultants'. The Principal stated that this was a misleading term which included the hard work of people like the architects, who had designed four new buildings and whose work was always front-loaded, and also those undertaking all the surveys for planning permission and the LSC submission. The College had been very frugal with money, and had followed the Financial Regulations at all times. Had these consultants not been contracted Ruskin would not have been in a position to apply to the LSC for funding for Phase 1. It was also noted that fee support of £250K had now been received from the LSC.

**Agreed:** that a report should be brought to the next Finance Committee detailing the estimated remaining costs for professional fees. It was also agreed that it would be helpful for more of the architects' drawings to be displayed to demonstrate what some of the money so far had been spent on. This would be considered further once clarification had been received about what funding if any would be received from the LSC, as the designs would be subject to change. A presentation should also be made to the December meeting of the College Council.

AM

5.2 **Received:** verbal report from the Principal on the original proposal for funding the project and the alternative proposal (taking account of the likelihood of reduced funding), and a letter from Geoff Russell, Chief Executive of the LSC.

**Noted:** that the letter from the LSC announced a delay in the decision regarding which Colleges had met the readiness criteria, and an announcement would now be made later in the month. If Ruskin were deemed to be ready, it would then be invited to scale down its project and re-submit a bid to be judged in terms of value for money.

**Agreed:** that the priority for Ruskin was to create high quality, en suite residential accommodation in order to attract both students and conferences. A dining facility could be incorporated into the Academic Building and, indeed, might prove more profitable operationally if it were sited there. The LSC-required survey of teaching space and the objections lodged by historical societies during the consultation process meant the Academic Building might possibly have to lose a floor, which would require more work being carried out by the architects.

**Noted:** that it was important that positive messages regarding the Capital Project be communicated to staff, as uncertainty was having an effect on morale.

**Agreed:** that a meeting should be called on each site asking staff and students for their input regarding what the priorities should be in a scaled-

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down project. The letter from the LSC should go to the next meeting of the Governing Executive, accompanied by a paper outlining an achievable lower cost option for the Capital Project in broad terms and mentioning the consultation involved.

AM/SC

**Noted:** that the Principal had met recently with Frances Cairncross of Exeter College to update her about the position regarding the LSC and to advise that the key meeting to trigger the exchange of contracts on Walton Street would now be the 2 October. Exeter College accepted this and the Principal would remain in close contact with them throughout this month and continue to give them maximum reassurance that Ruskin wished to proceed with the sale.

AM

### 6 Student numbers

**6.1 Received:** report on performance against student numbers targets.

**Noted:** the General Secretary summarised the report, in particular:

- that the main area where there had been a shortfall in student numbers was in the Cert HE, where the target FTE was 129.5 and the actual FTE was 70
- that the HEFCE funding target had been met, but the shortfall in student numbers had meant a loss of tuition fee income
- that in the past five years, Ruskin had met or exceeded student numbers targets and it was believed that this shortfall in 2008/09 was simply a blip. The recession began to impact in September 2008 and it was thought that this deterred people from giving up work to attend full-time courses. In addition, the College had actually increased targets in order to compensate for the loss of Amicus/Unite work and had over-estimated
- the Outreach and Recruitment Committee had been doing a great deal of work to ensure that the College could meet its student numbers targets in 2009/10, including developing clear routes to encourage short course and summer school students to progress to long courses; looking at the mode of delivery to ensure it met demand and updating the curriculum offer.

**Noted:** that there would be a report and presentation on marketing at the next Council meeting and Council members would be encouraged to become more involved.

**Agreed:** that it would be helpful for the Governing Executive to have a copy of this report, in addition to the data on student numbers for 2009/10, at their next meeting. Copies of the Marketing Strategy should be made available at the Council meeting.

Clerk

**6.2 Received:** draft student numbers for 2009/10.

**Noted:** that more realistic targets had been set for this year and the numbers were looking encouraging.

### 7 Budget process

**Received:** draft budget for the year to 31 July 2010.

**Noted:** that this draft budget was very much a work in progress and would change as the assumptions behind it evolved following further discussions with staff.

**Agreed:** that budgeting for a deficit of this scale (£154,538) would lead to serious operational difficulties. At some point some difficult decisions would have to be taken, as this could not continue. More work should be undertaken in order to reduce or eliminate the deficit.

SM/AM/  
CW

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### 8 Dates of meetings in 2009/10

**Noted:** meeting dates for Finance Committee for the next academic year, all at 11.00am:

- 12 November 2009
- 4 February 2010
- 29 April 2010
- 17 June 2010

*There being no further business, the meeting closed at 12.40pm*