

## Ruskin College

### Minutes of the Finance Committee meeting held on Friday 24 June 2011 at 11.00am

**Present:** Jane Dixon (Chair)  
Anne Hock (part)  
David Norman  
Audrey Mullender  
Teresa Munby

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

**1 Apologies for absence and welcome new members** Action  
**Noted:** that apologies had been received from John Fray.

**2 Minutes of the last meeting**  
**Approved:** as a correct record the minutes of the meeting held on 9 May 2011.

**3 Matters arising not covered elsewhere on the agenda**  
**Noted:** that Savills had been asked to review the rental rate for 3 Stoke Place. They had concluded that in its current condition it should achieve £800 per month. The tenant had been informed.

**4 Financial report on 2010/11**  
**Received:** a report on the position at the end of May 2011.  
**Noted:** that, as there had been no summary included in the report, the Finance Director outlined the highlights of the report:

- the current financial position suggested an end of year surplus of £147K. This was largely due to the additional £109K from the SFA discussed at the last meeting, which the College was expecting to keep as it looked as though targets would be exceeded. In addition, tuition fee income was over the forecast budget
- pay costs were expected to come in around the agreed budgeted figure, although it was not possible to be entirely certain due to unknown factors such as overtime
- non-pay costs would come in on budget or better, largely due to changes in procurement techniques

*(Anne Hock joined the meeting at 11.10am)*

- the overspend was due to the money spent on the proposal to develop Ruskin Fields, £45K to date, which could not be capitalised
- the cash flow position was better than expected. A figure of £190K in the relocation and severance budget was an error and would be taken out by the Finance Director prior to the accounts going to the Governing Executive.

The Chair asked for questions, during which the following points were clarified:

- that visiting tutor costs were again over budget this year. The Finance Director reported that this was directly related to Trade Union short courses, where more visiting tutors had been required than anticipated, because, although the GFTU work had ended at Christmas, the TUC Centre had expanded. It would be easier to budget more accurately next year
- that the high domestic staff pay costs would improve from 2012 with the move to a single site and one kitchen
- that the clerical pay and academic staff pay costs were similar. This was

## Ruskin College

because the Management Team were costed under clerical pay, and due to the fact that a number of staff members who had been in post for a long time had received many incremental pay rises and were therefore on relatively high wages

- that all voluntary severances agreed this year would have to be allocated to this year's budget, even if the staff members in question were not leaving until next year - though clearly the funds would remain in the bank until they left. David Norman reminded those present that the Governing Executive had ruled out allowing staff to take severance if a direct replacement would need to be recruited. It was confirmed that, following the voluntary severance scheme, a restructuring of posts in all affected areas would take place which would mean that this would not happen.

### 5 Student numbers

**5.1 Received:** a report on performance against SFA cash targets for 2010/11.

**Noted:** that the College was on track to retain the additional £109K received from the SFA.

**5.2 Received:** a report on SFA student numbers and cash targets for 2011/12.

**Noted:** that the College had received confirmation that funding would be protected for next year under informal adult community learning. There would be no volume target for next year, though this would continue to be monitored as the position from 2012/13 was unknown. A question was raised regarding the future funding for the TUC courses. These had been granted a further year of 100% fee remission. However, they could at any time be affected by the decision not to make public money available to fund courses at a level that an individual had already completed. This would clearly have a significant impact on the Organising Academy (OA), where an estimated 70% of students were already educated to degree level. The Principal reported that there would be a top-level national debate on how to take the OA forward, and the possibility of raising these courses to PGDip/MA level could be considered.

### 6 Financial Plan

**Received:** the draft budget for the year to 31 July 2012.

**Noted:** that the SFA allocation had been confirmed (subject to the College meeting the target as discussed). The HEFCE allocation had also been agreed, and was slightly down on last year. Tuition fee income had been forecast as accurately as possible, though further discussions in some areas regarding progressing students had yet to take place. With the information currently available, the expected revenue was £4,199,501. Pay costs were forecast to be £3,104,294 and the maximum non-pay costs £1,146,167. The projected deficit was therefore £50,960. However, with the cost of relocating to Headington and of seeking to develop Ruskin Fields, at an estimated cost of £160K, the total forecast deficit was £210,960. A number of questions were raised during which the following points were clarified:

- recruitment for Social Work courses, which had been at the core of the College's work over the past decade, was on a par with the current year for 2011/12. However, there was a very real threat to Social Work bursaries in the future, which would affect recruitment, as might higher fees. The Principal reported that fees at Oxford Brookes, the closest alternative, would be £9K for all courses. Of greatest concern was the future of social work bursaries, which were currently under review and may not be available in the future. A bid to create new short courses in this area, and work to improve marketing and recruitment and to plan a larger first year to allow for those who might drop out or defer were

## Ruskin College

outlined.

- the £100K allocated to the development of Ruskin Fields for professional fees and possible legal costs could not be capitalised. It also could not be offset in year. The Finance Director was currently in discussion with the auditors regarding whether it could be shown in the accounts as an exceptional item. The spend so far had represented excellent value for money as it had succeeded in getting Ruskin Fields included in a major consultation exercise by the City Council.

**Recommended:** to the Governing Executive the draft budget for the year to 31 July 2012.

### 7 Tuition fees for 2012/13

**Received:** tuition fees for overseas and postgraduate students.

**Noted:** that it was proposed that fees for overseas students, of £8.5K, should be the same as for domestic students as the costs were the same. It was also proposed that, as undergraduate students were being asked to pay full costs, MA students should too. The figures in the report showed that with 10 FTE students, with entry every other year, the MA ILTUS would almost break even. It was thought that it would not be possible to recruit more than that. It was proposed that part-time students be charged 50% of the fee. The indirect costs in the figures related to the per capita costs of College overheads, though in percentage terms these would reduce with the move to a single site. Further work would be carried out to try to reduce costs in the future by looking to spread the costs of teaching over other programmes, depending on workloads. The College would also look to work with trade unions to develop scholarships to support MAs and would try to increase recruitment from overseas.

**Agreed:** that tuition fees for overseas and postgraduate students in 2012/13 should be £8.5K.

### 8 Cost Centre Managers and Estates Committee

**Noted:** the minutes of the meeting held on 27 May 2011, which highlighted the ongoing work on student numbers and staff planning.

### 9 Financial Management and Control Evaluation

**Received:** the standard letter from the SFA.

### 10 Any other business

A question was raised as to whether there had been an overage clause in the contract for the sale of the Walton Lane and Worcester Place properties. The General Secretary was asked to check the Project Board and Governing Executive minutes and report back.

CW

### 11 Date of meetings in 2011/12

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

- 4 November 2011
- 3 February 2012
- 27 April 2012
- 15 June 2012

*There being no further business, the meeting closed at 12.20pm*