

Ruskin College

Minutes of the Finance Committee meeting held on Friday 4 February 2011 at 12.00pm

Present: John Fray
Anne Hock (part)
Audrey Mullender
Teresa Munby
David Norman (Chair)

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 Jane Dixon. David Norman would be taking the chair in her absence. John Fray was welcomed to his first meeting.

2 Minutes of the last meeting

Agreed: that in item 13 the word 'difficult' should be replaced by 'challenging'.

Approved: as a correct record, with this amendment, the minutes of the meeting held on 12 November 2010.

3 Matters arising not covered elsewhere on the agenda

Noted: that there were no matters arising.

4 SFA funding

Received: the reconciliation statement for 2009/10, a verbal report from the General Secretary on funding for 2010/11, and a report on 2011/12.

Noted: that the reconciliation statement for 2009/10 had been taken from the report on the financial assurance audit undertaken by the SFA. The College had exceeded its cash target by 4.83%. No additional funding would be received for this, but there would be no clawback of funds this year. With regard to 2010/11, the mid-year projection was that Ruskin would meet its cash targets, principally due to good recruitment to long courses and an expansion of trade union work. The report on funding for 2011/12 showed a reduction of 6.4%, including the introduction of a new stipulation that £35K would be dependent on student job outcomes. The Finance Director reported that it was helpful from a financial planning perspective to have had confirmation of the cut in funding.

(Anne Hock joined the meeting at 12.15pm.)

5 Financial report on 2010/11

Received: a report on the position at the end of December 2010.

Noted: that on the income side, it was anticipated that the College would deliver on budget, which was a positive move forward. It was, however, expecting a cut of £14K in HE funding in the last quarter which was not reflected in the version of the accounts that had been circulated. With regard to payroll, a 1% inflationary increase had been included in the budget, though the employer offer nationally was currently 0.4%. The Finance Director reported a helpful meeting with a procurement expert from the Association of Colleges who had identified further areas where savings could potentially be made on non-payroll spending. Following questions and comments, a number of issues were clarified, including:

- that twelve St Cross students had taken up residential accommodation at Ruskin as opposed to the twenty that had been estimated in the

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budget

- that the academic services budget was showing a high deficit as it covered costs relating to the Registry and learning and teaching support, which exceeded the support allocation received from HEFCE
- that, in general, the academic centres were now much more in control of visiting tutor costs. However, there were costs from last year showing in this year's budget, as some contracts were late in being raised, and the expansion in trade union work had resulted in an increase in tutor requirements in this area that could not have been forecast. Programme Boards were considering ways in which fewer visiting tutors could be used and looking at the possibility of identifying tutors with spare time to teach in other areas. The ending of GFTU courses via Ruskin would also reduce visiting tutor expenditure.

6 Cost Centre Managers and Estates Committee

Received: the minutes of the meetings held on 5 October and 18 November 2010.

Noted: that a discussion had taken place at the October meeting regarding late interviewing. The Principal stated that Ruskin had recruited a number of good students during the clearing process this year due to the general shortfall in university places.

7 Funding situation and tuition fees

Received: a verbal report from the Management Team.

Noted: that the situation regarding the fees to be charged remained unclear at present. From 2012, if a college proposed to charge £6K or less per student per year it could proceed as normal. However, if it needed to charge more, it would be required to have an access agreement showing how it would widen participation and to join the National Scholarship Scheme (exact details of which had yet to be released). For certain students, the College would have to provide one free year, the cost of which would have to be factored into the fees charged generally. It was thought that these students would be those who would have qualified for free school meals, but it was not known whether this would apply to any other categories of students. Regardless, the cost of this would be enormous and, as the College currently received over £8K per student per year, it would not be able to charge £6K or less without making significant cuts (including job losses) equating to at least 25% of current spending. It was likely that universities would need to print their prospectuses for next year without knowing what tuition fees they would need to charge, hence the Principal stated that any information on what other organisations proposed to charge would be gratefully received. It was suggested that a proactive approach should be taken, involving staff, Governing Executive members and other stakeholders in radical thinking regarding what Ruskin could offer and what it could do differently. The Chair asked that a brief factual report be prepared for the Governing Executive outlining the challenges facing the College. In the meantime, the Principal would be exploring all options, in association with the staff through the Programme Boards, to secure the future of Ruskin. If required, a special meeting of the Finance Committee could be convened at the discretion of the Chair, and wider stakeholders could be contacted at the appropriate time when any threat to the College's future was clearer.

AM

8 Capital Project

Received: a tabled paper detailing expenditure and cash flow to date.

Noted: that the report showed the budget as agreed by the Governing Executive

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and the cumulative spend so far to this month. In more general terms, phase 1 had come in under budget and the contract for phase 2 was also under budget. Gov
Agreed: that this report should be sent to the Governing Executive. Exec

9 Annual review of financial regulations

Noted: that no amendments had been proposed this year.

10 Annual schedule of business

Received: the draft annual schedule of business for the Finance Committee.

Noted: that this schedule detailed all routine items, but other issues would be brought to meetings in line with priorities.

Recommended: to the Governing Executive the newly drawn up annual schedule of business for the Finance Committee. Gov
Exec

11 Date of meetings in 2010/11

Noted: meeting dates for the Finance Committee for the remainder of the academic year, all at 11.00am:

- 9 May 2011
- 24 June 2011

There being no further business, the meeting closed at 1.25pm.