

Ruskin College

Minutes of the Finance Committee meeting held on Thursday 4 February 2010 at 11.00am

Present: Jane Dixon (Chair), Audrey Mullender, Teresa Munby,
David Norman (part)

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

- 1 Apologies for absence** Action
Noted: that apologies had been received from Anne Hock who was a new member and was unable to attend having only just received the meeting dates. Apologies were also received from David Norman for late arrival.
- 2 Minutes of last meeting.**
Approved: as a correct record the minutes of the last meeting held on 12 November 2009.
- 3 Matters arising not covered elsewhere on the agenda**
Received: historical and current analysis of residential occupancy.
Noted: that annual occupancy levels at Walton Street from 2006/07 to the current year ranged between 56 and 88 per cent, and at Ruskin Hall between 75 and 81 per cent. This data only related to long course students and included a number of students who failed to pay for their accommodation and some who dropped out. It was important to consider this issue, as a decision would have to be taken shortly as to whether the new residential block should be built as the major part of Phase 3 of the Capital Project. The Principal explained that, between 2010 and 2012, there would be 63 rooms available at Walton Street and 48 at Headington. From 2012, these 48 rooms in Biko and Bowen (being not en suite) would continue to be reserved for long course students. The number of long course students resident this year was 61 so it was possible that additional rooms would not need to be built, and should only be if the College were confident that they could be filled. It was recognised that it would be a difficult decision, as the risks would have to be judged in the context of an uncertain funding position. First year students, whose residence and catering fees were mainly paid direct, would always be catered for, but second and third years, who included quite a few non-payers, required a cautious approach. For example, possible options for securing external residential provision were currently being explored. With regard to short-course residential provision, the system of reserving rooms was to be changed after 2012, with a move from block booking a building to booking on a room-by-room basis with a view to maximising occupancy. Stoke House and Webb would be looked at together and the most appropriate rooms allocated depending on the numbers and needs of the students. As Stoke House had no rooms with disabled access, students on a course with someone who required such a room would all be booked together in Webb.
Agreed: that no decision had to be taken today and that it would be helpful if this paper be brought again to the next meeting, together with an equivalent analysis for short course students. Clerk
SC
- 4 LSC funding**
Received: reconciliation statement for 2008/09 and a verbal report on funding for 2009/10 and 2010/11.
Noted: the General Secretary reported that although the College was

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slightly down on target, it was within 3% and the reconciliation had therefore indicated that there would be no adjustment of funds. However, it had subsequently become clear that, due to a change in the rules, it was now possible that if the targets were not met this year the underachievement from both this year and last could be clawed back. Ruskin was given the opportunity to re-base its calculations, which resulted in a 3% reduction in target and would mean that approximately £45K would be clawed back from this year's allocation and all subsequent years. It was not clear whether there would be an opportunity to re-base again at the mid-year point, which could be positive due to recent developments in the College's trade union courses. Work was also being carried out to look at maximising the courses which met priority targets for the future, such as literacy and numeracy. The Residential Colleges Committee was in talks with the LSC attempting to secure special consideration for its members. It was noted that such uncertainty made it almost impossible to plan. Any updates on these issues would be reported at the next meeting.

(David Norman joined the meeting at 12.00pm)

5 Financial report on 2008/09

Received: report on the position at the end of December 2009.

Noted: the Finance Director summarised the report, in particular:

- that the College had generated a little more grant funding than budgeted, though the tuition fee income remained disappointing – currently estimated at £900K rather than £1.1m
- a £50K saving had been identified in the payroll expenditure owing to a reduction in the anticipated inflation-related pay increase, now expected to be 0.5%
- residence and catering income was anticipated to be less than budgeted. A great deal of work was being carried out to address the issue of non-payment by students
- the negative operational cash position shown on the balance sheet in relation to the redevelopment project was a timing issue and was in line with the forecast. The funds would be replenished as further money was received
- the cashflow forecast did not reflect the re-basing exercise mentioned in the previous item, as the College had not yet been informed when cash would be clawed back. Guidance from the LSC had been requested on how to deal with this in the Capital Project submission, although no response had been received to date.

Questions and comments were taken on the report and the following points were made:

- that it was clear that expenditure continued to exceed income and that cash reserves were being depleted
- that the forecasting had been taken forward 10 years and, with the savings resulting from the planned restructuring of the College, an overall positive position for each year was predicted with a break even position for academic and support work
- that the remainder of this year and the next two years would be extremely difficult and the Management Team had been looking at additional ways to make savings. Further details would be brought to the next meeting
- that it would be vital for Cost Centre Managers to continue to be

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involved and the Finance Committee expressed their gratitude to them for their work in identifying possible economies

- opportunities for income generation continued to be sought, including identifying sources of overseas students and looking at finding viable options for offering full-cost courses
- it was recognised, however, that recruiting up to numbers on the courses currently offered was the most effective method of generating income and should remain the top priority. Marketing of Ruskin was flagged up as an issue and further work on this was planned.

6 Cost Centre Managers and Estates Committee

Noted: the minutes of the Cost Centre Managers and Estates Committee meeting held on 4 November 2009.

7 Capital Project

Received: an update on expenditure to December 2009.

Noted: that the report was in the form of a profit and loss sheet showing funding and costs. The Finance Director confirmed that the professional fees were still looking to be front-loaded and should be a declining area of spend once construction began in March. The Development Fund figure shown (£457,197) did not represent actual funds available, as discussed at a previous meeting, and to date approximately £50K had been raised towards this. Also, since the last meeting, the Webb Memorial Trust had donated £25K towards the refurbishment of the Webb Building.

The Principal reported that the tender for Phase 1 had come in on budget. With regard to Phase 2, the reduction in the size of the proposed Academic Building had necessitated a change in the type of heat and power system to be used. This resulted in additional cost, taking plans for Phase 2 over budget, so the design team had put forward proposals which would bring them back on budget. This was a perfectly natural part of the design process and not a cause for concern. If at any stage a problem did arise, the Chair of the Finance Committee would be consulted to determine whether an emergency meeting was required.

8 Annual review of financial regulations

Received: proposed amendments to the Financial Regulations.

Noted: that the amendments were being proposed as a result of recommendations made in reports from the internal auditors on 'Banking' and 'Cash Receipts'. The section on banking arrangements had been updated to reflect the use of the BACS system, and in particular the authorisation limits for this. The criteria regarding where the College could place funds in the cash management policy statement had been amended to require that institutions had a credit rating of at least A-.

Approved: the amendments to the Financial Regulations.

Noted: the Committee commended the Finance Director and her team on the move to the use of BACS, which had brought the College up to date and saved time and money.

9 Dates of meetings in 2009/10

Noted: meeting dates for the Finance Committee for the remainder of the academic year, currently planned for 11.00am.

- 29 April 2010
- 17 June 2010

Teresa Munby informed members that the meetings as planned conflicted

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with her teaching commitments. The future of the Capital Project Steering Group was to be discussed at a meeting this afternoon and, if a decision were taken for it to be discontinued, the Finance Committee could be held in the afternoon in its place. The Clerk would consult with the Chair and inform Committee members of any change.

Clerk

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