

**Minutes of Norton Radstock College Management Accounts Review Group
Meeting held on Wednesday 8 July 2009 at 9am**

Present: John Wilkinson (Chair) JW
Shirley Arayan (Principal) SA
Ken Willcox KW

In Attendance: Jo Barber (Finance Director) JB
Peter Hodgson (Corporate Director) PH
John Holland (Clerk) JH

1. Apologies for absence

No apologies, all members present.

2. Minutes of meeting held on 11 May 2009 for approval

The meeting unanimously agreed to approve the Minutes.

3. Matters arising

The table on changes to the 16-18 allocation had been presented and understood by the Governors at the meeting on 20 May 2009.

SA clarified the position on Capital funding for Diplomas. Hair and Beauty are still bidding. Health and Social Care have been awarded a grant but amount to be finalised. Engineering have a £100k grant for resources, plus combined Health and Social Care and Engineering will receive £56k over 2 years to cover staff costs and other resources as lead partner. Construction will receive £50k; this will cover rental costs of the Wellsway Units.

4. Management Accounts for May 2009 for information

JB referred the meeting to the forecast column in the Management Accounts which was now showing a deficit of £93k with two months of the year to go. JB took the meeting through the notes on page 5 of the papers.

With regard to the over-achievement of Adult Learner Responsiveness, PH thought the £15k incorporated into the accounts was only half the agreed amount. JB agreed to check this and adjust if necessary.

Action: JB MA7091

JB clarified that the £20k on educational contracts related to a share of the Forward 4 budget released to us by City of Bath College.

The meeting noted the increased cost and income related to projects. PH agreed to do a summary of project income for the Governing Body meeting.

Action: PH MA7092

The meeting noted the cashflow information and JB would discuss writing off the Capital Project costs with the external auditors.

Action: JB MA7093

5. **Budget 2009/2010 to approve forwarding to the Corporation**

JB took the meeting through the budget which was laid out in the usual format.

The meeting went through the income changes and it was agreed that PH would do a paper clarifying the changes to the E2E funding over the next two years.

Action: PH MA7094

JB would change the narrative on paragraph 3-2(d) in light of the earlier discussion on Diploma funding.

Action: JB MA8095

The reduction in HE income was noted with Degree numbers capped.

PH explained the need for the franchise offer as this allows the College to meet its LSC targets by accessing the wider student population in the Bristol area.

SA clarified that the protocol on Diplomas would only allow us to invoice schools twice a year despite the payment problems this year.

The meeting was happy with the version going to Governors to show the £156k surplus as a £6k surplus and a £150k contingency, plus any subsequent changes noted at this meeting.

The meeting unanimously agreed to forward the budget to the Governing Body.

With regard to the Financial Forecast, it was agreed to have another MARG meeting on 20 July at 9.30am to review the Financial Forecast prior to emailing the key sheets to Governors for them to read prior to the Governing Body meeting on 22 July 2009.

6. **Advice from Bentley Jennison on bank covenants for information**

The meeting noted the paper. JB informed the meeting that she was doing what she could to minimise the possibility of the College breaking its bank covenants.

7. **New Performance Indicators to approve forwarding to the Corporation**

The meeting agreed that it would prefer the presentation in a different format as well as a wider range of targets that encompassed the main College indicators so that Governors could assess a set of key performance indicators. They would also be used as part of the Governors Self Assessment process.

JW was happy to meet with Peter Skinner and Andy Willcox to further progress.

Action: JW MA7096

There being no further business, the meeting closed at 10.15am.