

**Minutes of Norton Radstock College Management Accounts Review Group
Meeting held on Monday 11 May 2009 at 11am**

Present: Mr J Wilkinson (Chair)
Mrs S Arayan (Principal)
Mr K Willcox

In Attendance: Ms J Barber (Finance Director)
Mr P Hodgson (Corporate Director)
Mr J Holland (Clerk)

1. Apologies for absence

No apologies, all members present.

2. Minutes of meeting held on 2 March 2009 for approval

The meeting unanimously agreed to approve the Minutes.

3. Matters arising

It was noted that an allocation for Train to Gain Capacity Building would not now be funded nationally; our expectation on this was £85k.

The College has secured the Prison Contract but at a reduced level, final funding to be advised. The College was also waiting to receive its 2009/2010 allocations for E2E and Pre E2E.

The allocation for 16-18 had changed upwards from the figure shown at the strategic planning session. JB is to produce a table to show this in the report for the Governors meeting on 20 May.

Action: JB MA5091

4. Management Accounts for March 2009 for information

JB took the meeting through her report.

The main point highlighted was the cutting of the Train to Gain funding detailed in paragraph 4.1.2. This, coupled with our over achievement on 16-18 which was not funded, were the main contributors to our forecast deficit of £192k after revaluation reserve.

The College would look at minimising the deficit in the financial year but it would not be possible to make significant inroads into this, given that it was already mid May.

The College had been confident on making up a significant amount of the Train to Gain profiled shortfall before the latest rule change. This adjustment

to Train to Gain was a hit in this financial year which should not impact next year's budget.

The College was concerned about the lack of take up on Apprenticeships and its effect on the Employer Responsiveness funding.

KW highlighted to the meeting job opportunities available at the new hospital and other new businesses in Peasedown St John.

The meeting emphasised the importance of achieving the student numbers and thus securing the funding allocated for next year.

Cashflow - JB clarified that regarding the change to Employer Responsiveness funding, it was not that money would be taken away but that it would not be received.

The meeting noted the cashflow position which had been compiled up to the end of July 2009 and done weekly for May/June 2009.

There was some concern over the cashflow in the early part of the next financial year but it was thought that the 16-18 allocation would continue to be front loaded for 2009-2010 although, as demonstrated recently, the LSC can change guidance at short notice.

JB informed the meeting that she had looked at converting some capital spend into a lease at 3.25% interest as discussed at the last Governors meeting. She had identified £87651 of spend that could be leased or £74597 pre VAT. This would require 36 rentals of approximately £2263 which was slightly higher than the figure discussed at the last Governing Body meeting.

The meeting unanimously agreed to approve taking out the lease as detailed.

SA informed the meeting that the Local Authority had received money to fund the Capital Elements of the new Diplomas and the College, as lead College, would receive some of this in 2008/2009.

Engineering was expecting £174k and Construction over £50k. This would be used to create mobile workshops etc for Engineering and the £50k in Construction would cover the Wellsway Works rentals etc as discussed at recent Governors meetings. The effect of these grants should reduce the College Capital requirements in 2009/2010.

The allocation for Hair and Beauty and Health and Social Care are over £200k in total for 2010/2011.

The meeting concluded that the maximisation of cash was essential, given the state of Central Government finances.

5. **Verbal report on conversation of Capital spend into a lease agreement for approval**

This had already been covered in the discussion under cashflow.

6. **Any other business**

There being no further business, the meeting closed at 12pm.