

**John Wheatley College**  
**Board of Management**  
**Financial Control Committee**

**Minutes of the Financial Control Committee held on Wednesday 18 May 2005 at 5pm in Room SO9, Alex Viola Suite, Easterhouse Campus.**

**1. Sederunt**

The meeting commenced at 5pm and was attended by:

T Burton(Chair);  
E Gillespie (co-opted member);  
M Axford;  
G Jones; and  
I Graham(Principal).

In Attendance

A Kirk (Depute Principal);  
B Forrest (Chief Accountant);  
M Brennan (Financial Adviser to Board);  
A Sherry (Assistant Principal);  
J Gow (Chief Finance Officer); and  
S Wilkie (for recording purposes only).

**2. Apologies**

P Craig; and  
A Woolley.

**3. Terms of Reference**

Members noted the terms of reference for the Financial Control Committee. It was confirmed that the meeting was quorate with 5 members in attendance.

**4. Declaration of Interest**

There were no declarations of interest expressed at this Committee meeting.

**5. Minutes of the previous meeting of the Financial Control Committee held on 31<sup>st</sup> March 2005.**

The minutes of the previous meeting were taken as read. There were no corrections for accuracy. They were accepted as an accurate record of the meeting held on 31 March 2005.

**6. Matters arising from Financial Control Committee Minutes held on 31st March 2005**

**Item 14 – Proposed Disposal of the Shettleston Building**

The Principal reminded members that the Shettleston Campus has a potential accelerated depreciation cost of £109k due to the market value of the building against its current cash value.

In response to questions A Kirk informed members that the College would use the one-off non- recurrent grant of £133, 612 in session 2005/06 to offset any potential depreciation costs related to the Shettleston campus.

**7. Correspondence**

**SFEFC – Education Maintenance Allowances: Guidance Documents 2005-06**

The Principal informed members that this correspondence was for information only. He reported that the correspondence detailed the business model and guidance for the Education Maintenance Allowance (EMA) Scotland Programme for session 2005-06. He reported that the College was required by the Scottish Further Education Funding Council (SFEFC) to comply with this guidance as a condition of grant.

A Sherry reminded members that students must have 100% attendance in order to remain in receipt of the support from this fund.

I Graham reminded members that in Scotland successful pilots were run in East Ayrshire, Dundee, Glasgow and West Dunbartonshire. The programme was introduced across the UK in academic year 2004-05. The awards are targeted at young people from low-income households to assist them to remain in full-time education beyond the minimum school leaving age. He noted that students who would have previously received a bursary are now eligible EMA support and that this had impacted on the uptake of Bursary support during the pilot year of 2003/04.

In response to questions the Principal informed members that the funding provided to cover administrative costs was insufficient however he reminded members that compliance with the guidance was a condition of grant.

He further informed members that the College would confirm, in writing, its acceptance of this funding.

Members agreed to note the correspondence from the SFEFC.

## **8. Financial Monitoring Statements for the Period from 1 August 2004 to 31 March 2005**

The Chief Accountant apprised members of the College's financial performance for the first eight months of the financial year 2004/05 from 1 August 2004 to 31 March 2005.

B Forrest highlighted the main features of the income and expenditure statement. He reported that employee costs are essentially still running above the projected level although senior managers were continuing to address this matter by seeking to maximise teaching staff student contact hours within the agreed contractual arrangements. He further reported that variances in overheads had been caused by the phasing of the budgets being out of alignment with the expenditure pattern of the financial year.

In addition, he confirmed that the total balance of the College's bank accounts as of 28 February 2005 was £561,972.21.

Having heard the Chief Accountant. members agreed to

Members agreed to:

- (i) note the contents of the report and its annexes;
- (ii) note the College's financial position for the period; and
- (iii) request the College to bring forward a further report on progress at a future meeting of the Committee.

## **9. Report on Cash Flow Forecast to 31<sup>st</sup> July 2005**

The Chief Accountant informed members of the College's Cashflow Forecast to 31 July 2005 as estimated at 30 April 2005.

He reminded members that the cash flow did not include student funds. He reported that with regards to the 'New Build' there had been expenditure of £300k included in respect of the purchase of land and, included in creditors throughout the period to date, consultancy fees of £376k. A grant of £500k had been received in respect of the New Build and a deposit of £35,000 for the sale of the Shettleston building from the purchaser of this site. He confirmed that the total balance of the College's two bank accounts as of 30 April 2005 was £777,475.

Members agreed to:

- (i) note the contents of the report and its appendices; and
- (ii) note the College's forecast cash flow for the current financial year

**10. Bursary Funds and Education Maintenance Allowance - Academic Year 2004/2005 - Update Report**

The Chief Accountant informed members of the actual allocation of bursary funds for 2004/05 and the Bursary and Education Maintenance Allowances (EMA) commitment for the current year. He reported that at the date of compiling the report, the College has received 370 bursary/EMA applications. He stated the bursaries had been awarded to 320 full time students, resulting in a commitment of £424k. EMA's had been awarded to 117 students resulting in a commitment of £86k.

Members agreed to:

- (i) note the contents of this report; and
- (ii) request the Principal and Chief Accountant to report back to future meetings as appropriate on the progress of any future allocations of funds.

**11. F.E. Hardship Fund - Academic Year 2004/05 - Update report**

The Chief Accountant reported that to date there has been a total of 237 applications for support from the FE Hardship Fund. Of these, 228 students have been awarded support, 69 students will receive assistance on an instalment basis throughout the academic year and a further 59 were awarded, the one off payments. As a result of this no further funds were available to support students in the current academic year. The Chief Accountant also reported that 9 students were refused support because they were unable to provide sufficient evidence of financial hardship.

In response to questions, the Principal informed members that there was no mechanism for requesting additional funds in order to address student hardship. A Sherry further informed members that SFEFC allocated these funds on the basis of student activity and did not take account of the nature of the communities which colleges serve.

In response to questions the Chief Accountant confirmed that Mr Buchanan was informing students that no further applications could be made to this fund.

Members agreed to note the contents of the report and its appendix.

**12. Mature Student Bursary Fund & Higher Education Hardship Fund – Academic Year 2004/05 - Update Report**

B Forrest informed members of the disbursement of funds from the Mature Student Bursary Fund (MSBF) and the Higher Education Hardship Fund (HEHF) for session 2004/05. He reported that the College's allocation for MSBF and HEHF for session 2004/05 were £23, 395 and £2,023 respectively. In addition, he stated that £8,659 in respect of unallocated. Mature Student Bursary Funds had been brought forward previous years, bringing the total combined funds available for 2004/05 to

£34,077. He reported that to date there had been 21 awards from the MSBF and 30 awards from the HEHF.

Members agreed to note the contents of the report and its appendix.

### **13. Childcare Funds – Financial Year 2004/2005**

The Chief Accountant informed members of the allocation of childcare funds to date. He reported that the funding allocated to childcare support for financial year 2004/05 was £163,812 and that this allocation was to be used entirely by providing support towards the childcare costs of the College's full and part time FE Students. He stated that the College had brought forward a surplus of £115,012 from 2003/04, giving a total of £203,403 of available funds after provision for future clawbacks and that 112 applications had been received by the College as of 11 May 2005.

Members agreed to:

- (i) note the contents of the report; and
- (ii) request the Principal and Chief Accountant to report back to future meetings on the progress of any future allocations of childcare funds.

### **14. Funding for Academic/Financial Year 2005/06**

The Principal spoke to this report informing members that this report would be presented to the next Board of Management meeting.

He informed members of the funding allocation made to the College in respect of financial/academic year 2005/06 by the Scottish Further Education Funding Council (SFEFC).

The Principal reported that the Sector's grant-in-aid had increased by £29.4m and the grant assistance earmarked to support investment in Estates increased by a further £28 million. The overall funding of the sector (excluding estates) increased from £438m in 2004/05 to £467.4m in 2005/06. This represents an increase of 6.7%. However the College had been allocated an increase in grant-in-aid below the national norm and therefore academic/financial year 2005/06 would be an extremely difficult one for the College. He further informed members that only one Glasgow College had received an allocation at or above the national norm.

I Graham reported that the College has been allocated a "one-off non-recurrent grant " of £133, 612. It is propose, as discussed at agenda item 6, that it is used primarily to off-set the balance sheet implications of the anticipated accelerated depreciation of the College's Shettleston building. He then proceeded to highlight the following elements:

- 4d) Contribution to the Scottish Teacher's Superannuation Scheme (STSS)

The College's allocation for rises in costs associated with STSS has increased by 4.18% to £124, 222.

4e) Capital Grant Allocation

The College has been allocated £412,000 for capital funding in 2005/06.

5 Student Support Funding

The total budget available to provide student support has fallen by 12.76% to £681,112.

The Principal reported that Senior Managers had reviewed the grant-in-aid award and concluded that the College can meet the student activity targets proposed by SFEFC. However there was concern about the level of funding allocated to Bursary Support and the College would seek to meet with senior officers of the Council to address this issue.

Members noted the contents of the Principal's report and its annexes.

## **15. Key Elements of Funding – Financial Year 2005/06**

The Principal informed members that this paper highlighted the key elements of the previous report (item 14). However he drew to the attention of members that the fee waiver grant is down by 4.03% £896,317. He further reported it was anticipated that the College would achieve all of this grant in session 2005/06.

Members noted this report.

## **16. Report on Cost of Current Level of Service**

The Chief Accountant reminded members that as part of the planning process the College considers the current level of service and estimates a cost of that service for the following year.

The Chief Accountant reported that the parameters utilised are 2% and 3% of the projection for 2004/05 year end recently submitted to SFEFC.

The Principal reminded members that the student activity target will be reduced by 1.87% as a result of the revised Student Unit of Measurement methodology which would be used by SFEFC in session 2005/06. He further reminded members that this all colleges would experience a reduction student activity as a result of this change.

Following discussion members agreed to note the contents of this report and its appendix.

**17. Report on Financial Forecast Update**

The Principal advised members that this report was presented at the last meeting and apologised for this error.

**18. Risk Register**

I Graham informed members that this paper was being considered at all Standing Committees as part of the Development Planning process. He further informed members that it presented them with an opportunity to review the Risk Register from the perspective of this Committee prior to a revised version being considered at the Board meeting scheduled for 22 June 2005. He further added that members could either speak to him directly or e-mail Alan Sherry with their comments.

G Jones and T Burton requested a copy of the risk register for the new build at Haghill.

**19. Closure**

Having discussed all items on the agenda the Chair of the Committee thanked members for their attendance. The meeting closed at 6.35pm.

**20. Date of Next Meeting**

The date of the next meeting will be confirmed.