

Minutes of the meeting held at 4.00pm on 30 April 2014

Present: **R Millea (Chairman)** **S Clarke (Vice Chairman)**
 A Gordon-Stables **D Wildridge**
 A Maltpress **S Gerber**
 R Carter **N Savvas**

In Attendance: **D J Howells, Deputy Principal**
 M Wagner, Vice Principal Business and Community
 J Bridges, Clerk to the Corporation

No member declared an interest in relation to items of this agenda.

1 Apologies for absence

Apologies for absence were received from P Ewan, Head of Finance.

2 Minutes of the meeting held on 26 February 2014

The minutes of the meeting were agreed and signed by the Chairman as a correct record.

3 Matters Arising

3 Matters Arising – Property Update – Main Campus

The Clerk arranged for members to take a tour of the College to understand the issues and where potential development or refurbishment may be part of the future property strategy. The tour preceded the meeting.

An outline plan and justification of property plans including indicative costings are included and discussed under item 4 of this meeting.

3 Matters Arising – Property Update – The Gateway

Confidential Item under paragraph 18(2) of the Instrument and Articles of Government

The Design and Construction of the Gateway building has received two RIBA (Royal Institute of British Architects) awards. The building has also been nominated for a Bury Society Award at the end of May 2014.

3 Matters Arising – Finance Report and Mid-Year Forecast

The Deputy Principal will provide proposals for the following two years accounts based on a set of stated assumptions when drafting the 2014/15 budget.

4 Finance Report – January 2014

The RAG rates used in the income and expenditure table in future reports will be quantified and where appropriate trend arrows will also be included.

The Deputy Principal is looking into the reason why the cashflow in January has taken a dip compared with the previous month.

The Finance Report for April 2014 will be reordered so that classroom based adult figures will appear in line 1 of the table followed by 16-18 apprentices figures in line 2 followed by a line to total these items.

Action

DJHowells

DJHowells

DJHowells

DJHowells

Any significant risks arising from the security report will be shared with the Committee as part of the regular risk register review.

6 Property Update

The Deputy Principal has noted that any emerging cost for managing the woodland is to be budgeted for as part of the preventative maintenance plan.

Property Items

4 Property Strategy

The College is looking to determine its property strategy relating to the development and improvement of its estate over the next five years and beyond. In the short term it is planned that the College invests and upgrades the existing site, works toward growth and income diversification and increases collaboration with others. There are a number of financial challenges bearing in mind the probability of future funding cuts and the College's already high gearing ratio. It is clear that the opportunity for growth will be through increased programmes for young people (16-18s) either in full time courses or apprenticeships as well as HE.

The table on page 6 of the property strategy shows the areas that the College will be looking to either maintain to higher standards or undertake some refurbishment to meet these needs and also outlines the capital projects that it wishes to pursue when funding is available. During the month of March 2014 the College received a College Condition Fund Grant of £420,750 and this will be used in part to move and refurbish the engineering department in the summer months and will be apportioned to phase 1 of the work.

Confidential item under paragraph 18(2) of the Instrument and Articles of Government.

The Committee agreed the following amendments to the property strategy:

- The document will be relabelled as West Suffolk College Property Strategy 2014.
- The word 'exhausted' in paragraph two of item 1.1 will be replaced and the sentence changed to read 'the College has now virtually utilised its surplus cash reserves.....'
- The opening sentence of the third paragraph in item 1.4 will be changed to read 'The College is working closely with schools....'
- The fifth paragraph under item 1.4 will be expanded to explain the reference to the external sports management centre and how this relationship impacts the College.
- The word 'the' will be inserted into the third paragraph of item 2.1 between the words 'of' and the 'College's' to read "a fundamental review of the College's estate....."
- A column/paragraph to give a brief description of the rationale for and showing the source of funding for each phase in Table 1 (page 6) will be included.
- The reference to the 'LSC' in the title of item 2.4 will be changed to the 'SFA'.
- The numbering throughout the document will be checked for accuracy particularly concerning item 3.5.2 which should be item number 4.0 and reordered thereafter.
- The title of item 4.1 will be changed to read 'Strategic Implementation Stages' and the sub heading changed to read 'Implementation Plan'.

Members asked that the contextual information, including the affordability section and reference to how the Property Strategy relates to the College Strategic Plan provided in the supplementary paper be included in the Property Strategy. Subject to these amendments the Committee agreed to recommend the broad content of the Property Strategy for approval to the Corporation at the 16 May 2014 meeting whilst acknowledging that due to other pressures the final Strategy document may need to be recommended for approval at the 17 July 2014 Corporation meeting.

5.50pm D Wildridge left the meeting

5 Property Update

Discussed under item 4 above.

Finance Items

6 Finance Report – March 2014

The SFA income is currently running ahead of where it is expected to be at eight months and there is some confidence that the contract outcome at the year end will be achieved, although a contingency of £50,000 has been put into the forecast.

Full cost courses continue to have a shortfall as the market is being undermined by ESF project funding that is supporting skills in the workplace and reducing employer demand in this area of provision.

The full year forecast predicts a £300K or more surplus at the year end with a published surplus potentially at £500K including any prior year adjustments.

The Deputy Principal will highlight trends in the income/expenditure major variances report in future.

7 Budget 2014/15 Initial Information

The College has now received the funding allocations from the EFA and the SFA for 2014/15. The EFA income is significantly more than the prior year (7% increase). This excludes bursary funding and any funding for free school meals. The SFA funding is 11% lower than the prior year.

The College is yet to receive confirmed figures from UCS, although initial estimates indicate that they will offer as much funding as 2013/14 in 2014/15 subject to us achieving sufficient enrolments of new HE students. .

Staffing costs will need to be maintained at current levels or slightly below next year and non-pay expenditure will need to be frozen if we are to achieve a breakeven or small surplus.

8 Progress Against Adult Skills Budget Report

There has been a slight increase in utilisation of the funding allocations although this could be clawed back if it is not achieved in the year. Apprenticeship recruitment is going well and the College is more confident that the target will be reached by the year end. The team has and continues to work exceptionally hard to achieve target.

9 Procurement of Summer Works

The paper outlined three projects that are proposed to be carried out and completed in the summer months; 1) replacing the Edmund House gas boilers with biomass fuel boilers to provide heating for Edmund, Australia and Suffolk House, 2) to relocate Engineering Machining and Welding to the Milburn Centre and; 3) remodel the existing Engineering and Automotive facilities.

Unfortunately, because of the nature of the projects that are being undertaken achievement of the first stage of detailed specification has taken some considerable time and to go to the market for tender at this point in time would mean that the College would be unable to implement these works during the summer period.

As an alternative the College is proposing to appoint a contractor who has worked successfully with the College in the past and who has previously tendered for works. They will lead the projects but will engage with different contractors for key packages and the College will have the opportunity to review those tenders and approve them in advance of commitment.

Members appreciated that timescales on these projects have not permitted the usual process to be followed and confirmed that these works are essential for the College to carry out in order to meet the resource and facility needs of students. Under delegated powers of the Committee members approved the proposal to appoint the contractor and to waive the normal tender process.

10 Clarification of Finance KPIs

Further to the meeting held in January 2014 with the Committee Chairmen a subsequent meeting will be convened for the Principal, Deputy Principal and the Clerk to meet with S Clarke to agree the key performance indicators to be reported to this Committee. A proposal will be brought back to the meeting to be held in May 2014.

JBridges

11 Any other business

The Chairman of the Committee will be absent for the May 2014 meeting. The Clerk will note his apologies. The Vice Chairman of the Committee, S Clarke, will Chair the meeting.

JBridges

Date of next meeting

Wednesday 28 May 2014 at 4.00pm. Room TG1.16

The meeting closed at 6.20pm