

**Minutes of the meeting held at 4.00pm on 23 October 2013**

**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**  
                          **P Ewan, Head of Finance**  
                          **J Bridges, Clerk to the Corporation**

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

- 1 Apologies for absence**  
There were no apologies for absence.
- 2 Minutes of the meeting held on 25 September 2013**  
The minutes of the meeting were confirmed as a correct record.
- 3 Matters Arising**
  - 3 Committee Terms of Reference**  
The terms of reference have been amended to include a clause for the appointment of a Vice Chairman to the Committee.
  - 4 Matters Arising – Suffolk House Boilers**  
The Deputy Principal continues to explore the benefits of joining the District Heating Scheme. Heat exchange from the Leisure Centre may provide sufficient heat source to the College and remove the need to replace the boilers in Suffolk House.
  - 6 Property Update – The Gateway**  
Confidential item under paragraph 18(2) of the Instrument and Articles of Government
  - 6 Property Update – The Milburn Centre**  
The Preventative Maintenance Plan and capital expenditure plan are discussed under items 9 and 10 of this meeting.
  - 7 Property Strategy**  
It is unlikely that any of the £3m grant can be accessed if the College does not complete the approved project without significant change but will put forward a special case to the Chief Executive of the SFA.

The Committee put forward to the Corporation a proposal not to construct an engineering facility for the cost of £9m at the 18 October 2013 meeting and this was agreed by the Board.

Property strategy options were presented to the Corporation at the 18 October 2013 meeting. Further development of the strategy will take place for consideration again at the Governors' Conference in January 2014.

**Action**

**8 Finance Report – September 2013**

An estimate of potential costs for repairs to the barrack wall of £100K has been provided for in the accounts.

All staff have been auto-enrolled into a pension scheme as of 1 October 2013. The financial impact will be seen in the October management accounts. 58 staff have not opted out (41% of staff eligible to be opted in). The annualised additional cost of those now in the scheme equates to just over £200K against a budgeted cost of £270K.

**9 Progress against Adult Skills Budget Report**

An update on the progress against the adult skills budget is discussed under item 5 of this meeting.

**10 Funding and Enrolment Report**

Outcomes will be included in the October management accounts reported to the Committee at the November meeting.

**Finance Items**

**4 Finance Report**

Future monthly management accounts reports will include budget year and forecast year end columns at appropriate reporting intervals. Columns will be RAG (Red Amber Green) rated. Members agreed that the column headed as 'Change' on page 2 of the report would not be required and prior year analysis would be provided in the commentary section of the report rather than included as a 'Prior year' column in the table. The variance column will be expressed as a percentage and RAG rated. The Deputy Principal will also consider using trend arrows to denote any change in financial movement.

DJHowells

Two key ratios have been added to the report; one showing staffing cost to income which is budgeted at 64.3% and currently running at 61.4%; and one of the bank covenants which is loan interest to income where the bank requires the College to maintain a ratio of less than 8%. The College is currently at 1%, well below the requirement.

**5 Progress against Adult Skills Budget Report**

The first ILR return date is 6 November 2013 and the outcomes will be included in the October management accounts and these will be reported to the Committee at the November meeting. Members agreed that subject to the position at this time the College may have to consider taking a prudent approach and adjusting the forecast downwards from the budget in line with the trends. Meanwhile the Committee will monitor progress closely and discuss with the College what additional strategies may be necessary to meet the budget.

DJHowells

**6 Staffing Cost Report**

The new report enables members to closely monitor staffing costs for the College. Currently actual staffing costs year to date are £228K below budget. Members agreed to receive the report on a quarterly basis and asked that the Deputy Principal includes a column to show the forecast.

DJHowells

**7 Shared Services**

Members received a strategy paper at the recent Corporation meeting to consider how the College can deliver shared services to other partners. The Deputy Principal will report back to the Committee on progress against the

DJHowells

strategy when more detail is available.

**8 Draft Unaudited Accounts for the year ended 31 July 2013**

The Chairman of the Committee has reviewed the draft accounts in detail but not the annual report. His comments have been considered and the relevant adjustments made by the Head of Finance. The external auditors will conclude their work at the end of this week. The Financial Statements and Accounts for the year ending 31 July 2013 will be presented to the Committee at the November meeting. Subject to their approval they will be recommended to the Corporation for approval at the 13 December 2013 meeting. The Audit and Risk Management Committee will consider the findings arising from the external audit as documented in their Management Letter and the auditor's letters of representation for the Financial Statement and Regularity Audits at the meeting to be held on 28 November 2013.

In agreement with the Chairman, the FRS17 adjustments have not yet been included. These will be included for the final version to be considered at the November Committee meeting.

The College Secretary will contact insurers to establish whether current arrangements cover against unforeseen high levels of staff absence. Members were also assured that claims for overtime are monitored and managed by the Deputy Principal and currently is restricted to particular areas of the College, such as the Estates Team.

JBRidges

**Property Items**

**9 Property Update**

The Deputy Principal will report back to the Committee in due course regarding two properties that may be of interest to the College as part of the development of the College's property strategy. It is a priority for governors to agree the property strategy while the College keeps any potential acquisition negotiations warm.

**Gas Problems**

Contractors will be onsite again tomorrow to investigate long term how the low gas supply problem can be resolved. Specification and costings are expected to be in the region of £56K plus VAT.

**The Barrack Wall**

The College has received confirmation from a firm of civil and structural engineers who specialise in historic and listed buildings on the stability of the Wall. In their opinion, they have confirmed, that the wall is safe in its current condition, and that no further remedial works are required.

**10 Property Strategy**

If possible a costed property strategy will be worked toward for consideration by members at the Governors' Conference in January 2014.

**11 Governors' Conference Agenda Items**

Members were satisfied that day one will focus on the strategy for the College. Day two will focus on governance structures and appetite for risk.

**12 Any other business**

Members agreed that meetings will be held in the last week of the month.

**Date of next meeting:**

Wednesday 27 November 2013 at 4.00pm. Room TG1.16.

The meeting closed at 6.00pm