

Minutes of the meeting held at 4.00pm on 27 November 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

D Wildridge declared that she had previously had an interest in respect of one of the properties discussed under item 8 of this meeting but holds no further interest at this time herewith.

Action

- 1 Apologies for absence**
There were no apologies for absence.
 - 2 Minutes of the meeting held on 23 October 2013**
The minutes of the meeting were confirmed as an accurate record.
 - 3 Matters Arising**
 - 3 Matters Arising – Item 6 Property Update – The Gateway**
Confidential item under paragraph 18(2) of the Instrument and Articles of Government
 - 4 Finance Report**
The suggestions made to alter the columns in the Finance Report have been implemented.
 - 5 Progress against Adult Skills Budget Report**
The outcomes of the ILR return in November are included in the Finance Report under item 4 of this meeting.
 - 6 Staffing Cost Report**
A Staffing Cost Report will be presented to the Committee on a quarterly basis.
 - 7 Shared Services**
The Deputy Principal will report back to the Committee on progress against the strategy in the New Year.
 - 8 Draft Unaudited Accounts for the year ended 31 July 2013**
College insurers have been contacted to establish whether current arrangements cover against unforeseen high levels of staff absence and we are waiting for a response.
- Finance Items**
- 4 Finance Report – October 2013**
Problems continue to exist with the BETA version of the software that calculates the SFA adult and 16-18 apprenticeship income. This is a problem for all Colleges across the sector who also cannot rely upon the data produced and Colleges have been advised that a fix is not expected until at least March 2014.

Members explored the risks and strategies employed to achieve the allocation of SFA income (adult and 16-18 apprentices) and HE income. Currently it is assumed at this point in time that the College is performing 10% below SFA income target level. Final confirmation of student numbers from UCS are expected in December but the College expects that HE income will be slightly below the funded number and therefore the October accounts have been prepared with a provision of 10% against a possible shortfall. The forecast column will be adjusted in January 2014 to reflect those areas where a variation from budget is known to be reasonably certain.

DJHowells

A cashflow projection will be included in the November accounts for presentation to the Committee at the meeting to be held in January 2014.

DJHowells

Car park costs will be analysed further to determine why car park income on the same period last year is down.

PEwan

The staffing cost ratio to income for the first 3 months has increased to 63.6% from 61.2% reported at the October Committee meeting for the first two months of the year. The Senior Management Team is monitoring the situation closely and is rigorously considering each request made to recruit staff.

5 Progress against Adult Skills Budget Report

Covered under item 4 above.

6 Annual Report and Financial Accounts 2012/13

There were no adjustments as a result of the audit so the audited surplus of £28,926 remains unchanged. The £361K FRS17 pension cost and finance charge mandatory adjustments therefore reduced the operating surplus of £390K to the final audited figure. These FRS17 adjustments are not cash adjustments.

The Chairman of the Committee presented the annual report and financial accounts for the year ending 31 July 2013 to the Committee. Members were asked to confirm their agreement of the disclosure concerning the 'Going Concern' of the College (see note 1 to the accounts). Subject to amendments put forward by members on page 13 concerning membership and changes in committee structures the Committee confirmed their agreement and the Chairman of the Committee will present the accounts to the Corporation for approval at the meeting to be held on 13 December 2013. Thanks were extended by the Committee to P Ewan and the Finance Team for the completion of a successful audit.

7 Finance/Property KPIs

The Clerk will invite Committee Chairs' to a meeting to discuss the content and format of future KPI reporting at both Committee and Corporation level.

JBridges

Property Items

8 Property Update

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

The two schedules attached to the report informed members of the possible maintenance issues in the coming year and an analysis of individual issues regarding each building. The Committee agreed that unless there were any

substantive costs arising from the plan, the level of detail within the preventative maintenance plan does not need to be shared with the Committee.

9 Committee Self Evaluation

Finance Committee Results

Members discussed the results and raised no concerns from the Finance or the Accommodation Strategy Committee self-evaluations.

10 Any other business

The gas pressure problems still exist in Australia House although a solution has been found and the boilers have been commissioned for use. The situation will be revisited again in the summer months. The Deputy Principal will seek written confirmation from specialist gas contractors to confirm that no risk exists to the College.

DJHowells

The Deputy Principal continues to investigate the potential to be part of a District Heating Scheme. A feasibility study will be concluded in February, the details of which will be shared with the Committee.

DJHowells

The Deputy Principal has arranged to meet with the SFA on Monday 2 December to discuss the special case put forward to the Chief Executive of the SFA regarding whether or not any of the £3m College Capital Investment Fund awarded can be accessed as the College no longer intends to proceed with the approved project.

DJHowells

Day one of the governors' conference in January will be focussed on the strategic direction of the College. The direction of travel in relation to a property strategy will also be covered. Members agreed that the property strategy must be driven by predicted curriculum needs.

It was confirmed that £200K is the likely additional cost arising from pension auto-enrolment against a budget of £240K.

The SFA has subsequently confirmed that the financial health of the College is graded 'good' and not 'satisfactory' as first indicated. This will be confirmed in writing.

The Clerk will arrange for the Committee to meet in an alternative room for the January 2014 meeting and will notify members.

JBridges

Date of next meeting:

Wednesday 29 January 2014 at 4.00pm. Room to be advised.

The meeting closed at 6.05pm