

The Deputy Principal has investigated the potential to be part of a District Heating Scheme. The feasibility study has concluded that this is not a viable project for the College.

The Corporation has been advised that the SFA has confirmed that no CCIF funding can be accessed if the College no longer proceeds with the approved engineering project, as the approval is not transferable.

The Clerk arranged for this meeting to be held in an alternative room.

4 Property Update

Main Campus

The loss of gas pressure across the whole site could be issues with the infrastructure or due to the leak recently detected and repaired. The Deputy Principal is investigating the possibility of replacing the Edmund House boilers with biomass technology to serve Edmund House and Suffolk House. Replacing the Edmund House boilers could costs £300K but locating an energy centre that could service both Edmund House and Australia House for £500K could be a more feasible solution. Biomass could also attract funding which is a further incentive to consider. The Deputy Principal will bring a proposal to the Committee for consideration. Members also asked that consideration is given to installing photovoltaic roofing to one or more roof aspects on the main campus.

Members discussed the necessity of ensuring that our premises meet the needs of our students and remain fit for purpose, in particular, in relation to the provision delivered in Australia House and in Engineering. The Principal advised that it is his intention that an outline of the new college strategy will be presented to the March meeting of the Corporation and that this will provide guidance on the immediate property needs of the college. Members asked that prior to the 30 April 2014 Committee meeting the Clerk arranges for members to take a tour of these areas in order to understand the issues and where potential development or refurbishment may be part of the future property strategy. An outline plan and justification of property plans including indicative costings will be provided by the Deputy Principal prior to the tour.

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Governors had been advised that the College had been broken into on 18 January 2014. Fortunately the offenders were unsuccessful in their attempt to take computer equipment from Leonardo House and the arising security issues to the campus are being addressed. In addition the Health and Safety Department has been working with an anti-terrorism officer of Suffolk Constabulary who has carried out an assessment of campus security and this report will be shared with the senior management team and the Committee when available.

JBridges

5 Progress against Adult Skills Budget Report

Based on the assumption that the College will continue to recruit students as planned and generate income to meet that expected profile, the College is reasonably confident it will achieve the 2013/14 Adult Skills Budget target.

Additional courses are planned and indications are that January and February enrolments are strong. Additional English, Maths and ESOL have recruited for Bury, Haverhill, Stowmarket and Mildenhall. The position is being monitored month by month and will be reported to the Committee at each meeting.

6 Finance Report and mid-year forecast

The accounts show a deficit for the five months to the end of December 2013 of £83K against a budgeted deficit for the period of £248K. The Deputy Principal is holding meetings with the key budget holders next week and their comments will be added back in to provide assurance that the budget position is close that that already reported.

The 'Risk' column in the accounts has been colour coded to indicate the level of risk against not achieving the budget, not the forecast. Members asked that the columns within the table be reordered to read left to right as 'Budget', 'Actual', 'Budget', Forecast'. This will be changed for the January accounts to be reported to the Committee at the meeting to be held in February 2014. The figures stated under the 'Staffing Costs' section will be amended as it was noted that lines 1.10 through to 1.12 in some instances showed budget and forecast figures lower than actual. It is thought that the figures have been transposed into the document incorrectly and will be amended.

DJHowells

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A cautious forecast view has been taken with regard to HE income and SFA income. HE income has been forecast at £100K below target at the end of the year due to reduced numbers on funded students and the success of SFA income will be entirely dependent upon the College's ability to maintain the current level of activity throughout the year and therefore has been forecast conservatively at £150K below target, even though (see 5 above) it is hoped to achieve the Adult Skills Budget.

The staffing cost savings achieved at the end of December 2013 derive from approximately 20 unfilled vacancies that the College is carrying. However these savings to date are being eroded by an increase in the level of support needed for students which currently exceed the budget. This may be a phasing issue and this is being very closely monitored. There may be a need to reshape this area in the future and this is currently being worked through.

The Committee will receive a draft 2014/15 budget at the meeting to be held in May 2014. Unofficially it is expected that SFA funding will be subject to a 10% cut on everything other than 16-18 apprentices. EFA numbers are as yet to be confirmed. On a positive note the College has confirmation that EFA funding will be paid on 'lagged' numbers in 2014/15. This equates to an additional £800K-£900K income based on 2013/14 recruitment numbers.

The Committee agreed that when drafting the 2014/15 budget the Deputy Principal should provide proposals for the following two years accounts based in a set of stated assumptions. The College must work to ensure the best possible conversion of these applications into enrolments.

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7 Full Time Applications 2014/15

Overall the College is almost 20% up on numbers compared to the same period last year. An improved application process for students and targeted marketing strategy, it is believed, has significantly enhanced the number of applications.

8 Treasury Management Report

Interest rates remain the same and interest earned in the year as at 31 December 2013 has reduced due to the reduction in surplus balances in 2013/14 available to put on deposit, and the reduced rate of interest available when doing so. Members noted that a 0.5% or 1% increase in the LIBOR rate is

thought unlikely to have a significant impact on our interest costs on borrowings.

The College's bank loan agreements contain covenants to which the College must adhere. It was reported that the College is compliant with all bank covenants.

9 Any other business

The Clerk will note the apologies of S Gerber for the meeting to be held in February 2014.

JBridges

Date of next meeting:

Wednesday 26 February 2014 at 4.00pm. Room TG1.16

The meeting closed at 5.40pm