

# CORPORATE SERVICES COMMITTEE

THURSDAY 23 APRIL 2015



**Report:** Minutes of a meeting held on Thursday 26 March 2015

GATESHEAD COLLEGE

**Author:** Clerk

**Action:** Approve

**Status:** Open

**Present:** Ian Renwick (Chair)  
Judith Doyle  
John Holt  
Ivan Jepson  
John McElroy

**In attendance:** Emma Moody (Clerk)  
Gwyneth Jones (Minutes)

## **CS/25 Welcome/Apologies/Declarations of interests**

Ian Renwick welcomed everyone to the meeting. Apologies were received from Robin Mackie; the Chair also advised that Ivan Jepson would be arriving later.

## **CS/26 Minutes from the meeting held on Thursday 29 January 2015**

The minutes of the meeting held on Thursday 29 January 2015 were accepted as a true record.

## **CS/27 Matters Arising**

The Chair referred to page 2 and said he had been reminded that a meeting between the College and the Queen Elizabeth Hospital needed to take place to further those discussions which were mentioned at the last meeting.

There were no other matters arising which were not substantive items on the agenda.

## **CS/28 Management Accounts: January 2015**

The Chair suggested that as the Management Accounts: February 2015 were also on the agenda it would be better to focus on them rather than the January accounts and the Committee agreed.

**RESOLVED to note the contents of the report**

## **CS/29 Management Accounts: February 2015**

John Holt (JH), Director of Finance, presented the Management Accounts: February 2015 together with the KPIs for this quadrant.

The Revenue for the month was £3.9m which was mostly down to programme income. There was a variance of £1.2m due to project activity. JH referred to the Income and

## **Agenda No: 2**

Expenditure Statement and indicated that there had been a slow improvement in the Adult Responsiveness Programme.

Apprenticeships have picked up with 1,220 new Nissan apprentices being enrolled; 1,100 in January 2015 and a further 120 in February 2015. These learners will enable the College to utilise around £1.3m of funding this year and £1.3m next year.

Revenue from the Skills Support for the Unemployed programme fell in February following a strong January but an improvement is expected in March.

JH highlighted that under Catering Ed Sales & Others £106,000 had been achieved against a budget of £102,000. The College had benefitted from the shop at the Metro Centre which had picked up during February and had an income of £20,000 per month.

Pay Expenditure was £63,000 over budget in February and £35,000 over budget for the year to date.

There had been a 1% pay award to staff in January which had increased costs.

### **Confidential and not for publication**

Payments to Partners are in line with the budget for the month and the full year cost is expected to increase by £1.2m.

Depreciation is £220,000 for the month and will drop away by the end of May to £200,000.

The College generated a small surplus of £9,000 in the month in comparison to the £20,000 generated in January. The forecast for the full year was a surplus of £7,000.

### **Confidential and not for publication**

JH referred to the Balance Sheet and the £206,000 investment in Gazelle. Under Current Assets, cash was holding up well at £6m but was likely to dip to £5m in March finishing at £8m at the end of July. Net Current Assets were £3.2m and the aim was to be at £4m by the end of July. He said the forecasts were achievable but were tight. Net Assets were £20.4m but when Deferred Capital Grants were added back they increased to £50.6m.

He referred to the Net Pension Liability of £9.6m and the £50,000 (FRS 17 adjustment) which was being provided. The Clerk commented that the deficit could change so much from month to month and JH replied that more money was being set aside now than had been done in previous years. JH confirmed that it was the Tyne and Wear Pension Scheme.

The Chair observed that the College was not far away from the budget and JH indicated that the College needed to do as much of the work itself to maximise revenue.

### **RESOLVED to note the contents of the report**

## **CS/30 Gazelle Update – This item is CONFIDENTIAL and not for publication**

*Ivan Jepson joined the meeting at 1.00pm*

**Agenda No: 2**

**CS/31 Any Other Business**

The Principal advised that there had been a cut of 24% in Adult Funding across the sector and she thought many colleges would not be able to survive. KPMG had been horizon scanning for Gateshead College and they had anticipated a cut of 20% not 24%. KPMG would report to the Board on 17 April.

**Confidential and not for publication**

**CS/32 Date of next meeting**

The next meeting will be held on Thursday 23 April 2015 at 12.30pm