

CORPORATE SERVICES COMMITTEE

WEDNESDAY 8 JULY 2015



GATESHEAD COLLEGE

Report: Minutes of a meeting held on Thursday 25 June 2015

Author: Clerk

Action: Approve

Status: Open

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

In attendance: Samantha Pritchard (Clerk)
Gwyneth Jones (Minutes)

CS/49 Welcome/Apologies/Declarations of interests

Ian Renwick welcomed everyone to the meeting. Apologies were received from Ivan Jepson and Robin Mackie.

Ian Renwick advised that there was one piece of other business on today's agenda which related to Budget Setting.

He reminded Committee members of the need to declare any interests they might have in the agenda items and once again declared an interest in the Future Technology Centre at Barmston Court although this was not a specific agenda item.

CS/50 Minutes from the meeting held on Thursday 21 May 2015

The minutes of the meeting held on Thursday 21 May 2015 were accepted as a true record.

CS/51 Matters Arising

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

CS/52 Management Accounts: May 2015

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

In summary the revenue for the month was £166,000 under budget. This was mainly as a result of the College having to apply the large employer 25% discount to the funding drawn down for the Nissan apprenticeship programme. The College was also continuing to write off the cost of Gazelle. The College had received consent to vire £350,000 of unused 19+ apprenticeship allocation onto the 19+ non-apprenticeship line.

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Revenue had also been affected by lower income for the Unemployed programme and therefore, the forecast out-turn had been revised down by £500,000 which left £800,000 still to be achieved rather than the £1.3m hoped for.

The College generated a small deficit of £19,000 in the month. The deficit for the year to date now totals £685,000 against an expected deficit of £331,000 and £535,000 at the same point last year. £500,000 of provision had been set aside for FRS 17 costs so far this year but it was unlikely that all of this will be required.

The Balance Sheet decreased in the month by £19,000 with net current assets increasing by £39,000 to £3,235,000. It should reach £7.4m at the year end. Current ratio is currently 1.35 but is predicted to reach 1.45 at year end.

A Governor referred to the Income and Expenditure monthly variances, specifically with regard to apprenticeships. JH replied that the College needed to maximise what it did; a £350,000 virement had been secured for 19+ non-apprenticeships. JH commented that in the past the College had not been as aware of the full financial implications of how apprenticeships are counted and recorded.

The Chair enquired if there was any significance attached to the figure of £7,036,000 for the full year cost and JH advised that there was not; it was simply the forecast out-turn.

The Chair commented that the College would need to protect and exploit its local position on quality in light of the recent OFSTED inspection, and resist any urge to sacrifice quality of experience and outcomes. The Principal said that they had reflected on that but they would still have to make savings. JH indicated that they would have to do things in a different way.

CS/53 Gazelle Update – This item is CONFIDENTIAL and not for publication

CS/54 Any Other Business

Financial Plan 2015–2017 - CONFIDENTIAL

The report and discussion 'are closed to the public' until such time as they are no longer commercially sensitive

There were no other items for discussion.

CS/55 Date of next meeting

The next meeting will be held on Wednesday 8 July 2015 at 12.30pm.