



CORPORATE SERVICES COMMITTEE

WEDNESDAY 2 DECEMBER 2015

Report: Minutes of the meeting held on Thursday 26 November 2015
Author: Clerk
Action: Approve
Status: Open

Present: Ian Renwick (Chair)
Robin Mackie
John Holt
John McElroy

In attendance: Kimberley levins (Acting Clerk)
Suzanne Clark (Minutes)

CS/71 Welcome / Apologies

The Chair welcomed all to the meeting. Apologies were received from the Principal.

The Chair asked Committee members to declare any interests they may have in the agenda items. The Chair restated his longstanding interest in the Future Technology Centre at Barmston Court.

CS/72 Minutes of the last meeting dated 22 October 2015

The minutes of the meeting held on Thursday 22 October 2015 were agreed as a correct record.

CS/73 Matters Arising

The Chair asked the Deputy Principal: Operation / Finance Director for his views on the Autumn Statement. JH responded that the announcements were not as bad as, and much more manageable than feared and provided a better platform for the College. The national rate for 16-19 learners will be kept at same level. It is still unsure at this point how this will be funded and whether there will be other cuts in the budget. The adult skills budget has been frozen in cash terms. The Chair asked if the College's strategy will remain the same. JH confirmed that pursuing the current strategy of cost cutting to its end will ensure the College is in good shape for the future. There is a need to maintain quality whilst removing any unnecessary costs.

The Chair commented that the time is right to start thinking about acquisition and mergers. Devolution may also bring opportunities.

CS/74 Provisional out-turn for 2014/15

John Holt (JH), Deputy Principal: Operations / Finance Director gave a verbal update to the Committee.

JH advised that there was not a great deal of change to report. The bottom line is currently £339,000 which includes the credit from FRS17.

John McElroy arrived at the meeting at 12.45.

The Chair asked if the College's audit was complete. JH confirmed that audit activity is complete and this will be signed off at the Joint Corporate Services and Audit committee scheduled for 2 December 2015.

CS/75 Management Accounts – October 2015

John Holt (JH), Deputy Principal: Operations / Finance Director presented the Report to the Committee.

It was reported that the College at the start of the year have had much stronger carry-in on apprenticeship provision from last year. There is a need to generate more business now to meet next year's allocation. Adult learning is on target. 16-19 learners are still light in terms of recruitment, which may affect next year's allocation. Accounts show a positive impact in relation to 19+ apprenticeships. The College is in a better position currently for achieving targets than in previous years and have incentivised franchise partners to deliver early in the year. Higher Education has recruited well for both HEFCE funding and student loan income. The College are also doing well on commercial activity with good rental and trading income. Full cost programmes are currently disappointing and this needs a further push. Pay expenditure is currently over budget for the year to date, which has been affected by the decision to delay the recent restructure until October/ November when student numbers were known. The Committee should start to see a drop in pay expenditure from next month. Payments to partners are high due to the front loading of contracts which is to ensure targets are met. The College is currently running at a deficit due to the restructure but it should be noted that underlying performance is slightly better than previous years.

The Chair thanked JH for explaining this so thoroughly and asked whether the costs discussed in relation to the restructure would balance out in-year. JH advised it is hoped these will be cleared by December. There is still some work to do on the curriculum management level.

JM asked about the targets for pay expenditure. JH responded that he hoped the target of £1.65m per month would be reached by February 2016. The College are in a strong position in relation to apprenticeship delivery and have requested additional funding from the SFA. It is hoped that this will be confirmed by the middle of January. RM asked how confident the College were in their ability to deliver this. JH confirmed numbers are currently up on the previous year and this would allow new recruitment which would form the carry-in for next year as the College was already close to achieving its target.

The report was noted.

CS/76 Accommodation update

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CS/77 Franchised Provision Plan

John Holt (JH), Deputy Principal: Operations / Finance Director presented the Report to the Committee.

The report outlines the plan for subcontracted provision for 2015/16. The SFA have requested an additional audit by all colleges on their subcontracted provision by the end of January 2016. Baker Tilly has been appointed to complete this (although subcontracted provision is audited regularly anyway). The plan looks to reduce subcontracted provision to reduce risk. The College have recently undertaken a thorough tendering process with all partners. The College will continue working with 7 of these partners and have ceased working with 6.

RM asked if the Principal and Director of Finance were happy that current subcontractors are tied down contractually, in light of problems with some subcontractors in the past. JH confirmed that a change control process was implemented last year to ensure that any changes to contracts need to be agreed by JH. JH was emphasising this to subcontractors in covering letters.

The Chair requested clarification on what was being requested of the Committee. JH advised that the report requests approval to enter into contracts with the 7 partners who have recently been through the tendering process.

The Committee agreed that they were happy to authorise the College to enter into contracts with these partners.

The report was approved.

CS/78 Potential acquisition

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CS/79 Any Other Business

The Chair congratulated JH and his team on maintaining the College's "Good" status for financial health.

CS/80 Date of next meeting

The date of the next meeting was confirmed as Thursday 28 January 2016 at 4.30pm. (Joint Corporate Services and Audit Committees meeting on Wednesday 2 December 2015 at 4.30pm)