

CORPORATE SERVICES COMMITTEE



THURSDAY 29 JANUARY 2015

Report: Minutes of a meeting held on Thursday 30 October 2014
Author: Clerk
Action: Approve
Status: Open

GATESHEAD COLLEGE

Present: Ian Renwick
John Holt
Judith Doyle
John McElroy

In Attendance: Emma Moody

Apologies: Robin Mackie
Ivan Jepson

1. Welcome/Apologies

Ian Renwick, appointed Chair of the Committee by the Board, welcomed members to the meeting.

Apologies were received from Robin Mackie and Ivan Jepson.

Members noted the agreed change in start time to 12.30pm for this and future meetings.

2. Minutes of the meeting held on Thursday 25 September 2014

The Minutes of the meeting held on Thursday 25 September 2014 were approved.

3. Matters Arising

The Principal wanted the Minutes to note that the arrangements between the College and Smith Electric in relation to the lease of Barmston Court were on an arms length basis. The College had approached the SS for consent who had confirmed that consent was no longer required under the legislation. The rent payable was competitive and an independent valuation had been obtained. The Chair had declared his conflict of interest and there was no financial benefit to the Chair or a company connected to him. This had been noted in previous Minutes both at Board meeting and Finance & General Purposes.

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4. Management Accounts to September 2014

The Accounts were presented by the Director of Finance.

In relation to income, the two main areas for concern where there was a potential shortfall were around:

- (a) 19+ learner responsiveness

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(b) Apprenticeships, particularly 19+

The College was now working to turn these around.

Whilst SSU was currently below target, it was being worked on and should improve as the year progresses and as funding issues are resolved.

Whilst HE tuition fees were below target, mainly down to lower recruitment levels, there was not much scope for the College to do anything to improve in that area in the year.

In relation to expenditure, it was 2% above the budget for the year to date. It was noted however that £150,000 of restructuring costs had been taken back into the budget because of the successful restructuring exercise.

In relation to the balance sheet, the College maintained a strong cash position.

The College Group performance was presented as part of the balance sheet with a note that Zero Carbon Futures and Charge Your Car had experienced slightly disappointing performance.

The Principal noted that future meetings would scrutinise the performance of the subsidiary companies both for their strategic alliance with the business of the College and also in terms of their delivery. They would present business cases to the Business Committee for it to then scrutinise their activity.

The Director of Finance said that the College's JV with Electromotive had been sold in July this year.

A member questioned why the cost associated with the restructuring had been lower than envisaged. It was confirmed that not only were the numbers who were made redundant lower than envisaged, the persons in scope were mainly in the support staff teams on less favourable terms than teachers who were entitled to a longer notice period and these increased redundancy payments.

The Chair noted his thanks to the Director of People and the Executive Team for managing the restructuring process so well and achieving the desired outcome at the minimal disruption/cost.

It was agreed that the College was in a better position than it was at the end of September last year. However, the Committee would review the position again at its meeting next month.

The Principal confirmed that the SFA had written to the College confirming its position as Grade 2 'Good' College whereas many others in the country had received an inadequate grading. **The report was noted.**

5. Out Turn for 2013/14

It was noted that record success rates had been achieved last year. External consultants had been brought in to review the ILR and had found very little for the College to work on.

The amounts to be repaid by the College for adult apprenticeships had dropped by £300,000 to £650,000 and the College may also see an adjustment for adult funding for non apprenticeship courses where the College had over delivered but had not been paid.

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It was also noted that the Additional Learning Support unit could submit a claim retrospectively and be paid for the delivery of that service even though the College was unaware of the funding being available. This would amount to approximately £300,000 over the year.

The Director of Finance confirmed that those persons subject to the restructuring exercise were not part of the Additional Learning Support unit so jobs would not have been saved had we known this earlier. **The report was noted.**

6. Update of Financial Regulations

The update regulations were presented to the Committee. The main changes were to reflect the change in the quadrant reporting structure and use of terminology.

Subject to a change in Appendix D around the terms of reference for the Remuneration Committee so that those terms of reference referred not to a July meeting but to periodic meetings of the Committee, **it was resolved that the regulations be approved.**

7. Change of Name of Subsidiary Company

The Director of Finance confirmed the change of name of Charge Your Car following the sale of the College's share in Electromotive. Members noted the change.

8. Any Other Business

There was no other business.

9. Date of next meeting

It was confirmed that the date of the next meeting would be the joint Committee Meeting with Audit on 4th December 2014.