

PRESENT

Mr Chris Bilsland
Ms Carole Kitching

Independent Member
Principal and Chief Executive

Chair

IN ATTENDANCE

Mr Jeremy Cook
Mr John Litchfield
Mr Craig Bentley
Mr Stephen Lawes

Interim Vice Principal Finance and Resources
Independent Member as an observer
Interim Projects Manager
Vice Principal Estates Strategy

APOLOGIES FOR ABSENCE

Mr Nigel Peet
Mr Paul Archenoul

Independent Member
Academic staff member

CLERK

Mrs Sue Glover

Clerk to the Corporation

With the number of members present, the Clerk advised that the meeting would not be quorate. The meeting could proceed with each agenda item on the basis of discussion only and any items for approval would be submitted directly to the Corporation for consideration at the meeting to be held on 24 May 2016.

The draft minutes of the meeting of the Finance Recovery Board held on 23 February 2016 would be presented at the next meeting for approval.

Minute nos. FRB.01.16, FRB.02.16 and FRB.03.16 are recorded in a restricted minute due to the commercial sensitivities each contain.

FRB.04.16 FUNDING REPORT AND MANAGEMENT ACCOUNTS TO 31 MARCH 2016

The Interim Vice Principal Finance and Resources presented for information the management accounts for the period ending 31 March 2016.

Members were advised that the EFA and SFA funding information is based on the R08 return submitted to the SFA at the beginning of April.

Members considered the detail of the accounts, noting

- the college remains under profile against the main funding targets (EFA 16-18, adult classroom based and apprenticeships)
- projections for the remainder of the year continue to be reviewed and a mid-year update of the financial plan has been submitted to the SFA following review by the Finance Board
- remedial action to reduce costs is ongoing and the consultation on the latest phase of organisation review has now concluded

- following conversations with the SFA it has been possible to write back provisions of £545k made in 2011/12, 2012/13 and 2013/14 for the repayment of SFA capital and renewal grants. Further write backs are anticipated following a review of provisions in the balance sheet
- the poor operating position is partially offset by the outcome of the Camberwell disposal which was completed earlier than planned and generated sale proceeds of £7.05m, approximately £2m more than was included in the budget
- the impact of financial performance to date continues to be consistent with 'inadequate' financial health
- Analysis of pay costs identifies that the in-year cost reduction target is not being met with the position projected to deteriorate further over the remainder of the year
- In order to mitigate this an in-year cost reduction plan has been implemented
- Non-pay costs are well within budget and in-year cost reduction actions have been in place since December

Members noted the contents of the report which will be presented to the Corporation at the meeting on 24 May 2016.

The Chair raised the issue of VDI investment and following discussion it was noted that

- This is unaffordable at the current time at a cost of circa £400k
- There could be support for this through a grant with Salex and the Interim Vice Principal Finance and Resources will investigate further

FRB.05.16 FINANCIAL PLAN AND BUDGET 2016/2017

The Interim Vice Principal Finance and Resources presented the Financial Plan and Budget 2016/17.

It was noted that as the meeting was not quorate this report would be presented to the Corporation on 24 May 2016 for consideration and approval.

It was noted that the Merger Steering Group had recommended scenario A and it was suggested that the cover sheet is updated for Corporation to reflect that the budget being presented for approval in July will be built around scenario A.

FRB.06.16 TUITION FEES AND REMISSION POLICY

The Interim Vice Principal Finance and Resources presented the Tuition Fees and Remission Policy.

As the meeting was not quorate, this would be presented to the Corporation for consideration at the meeting on 24 May 2016.

FRB.07.16 ANY OTHER BUSINESS

Members noted that there was no other business.

FRB.08.16 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 21 June 2016, commencing at 5.30pm.

As there was no further business, the Chair declared the meeting closed

