

**CITY COLLEGE PLYMOUTH  
CORPORATION MEETING**

**FINANCE COMMITTEE MINUTES OF THE MEETING  
HELD ON MONDAY 7<sup>th</sup> OCTOBER 2019 AT 5.00PM IN ROOM KS301**

<b>MEMBERS PRESENT:</b>	Martyn Starnes	Chair
	Jackie Grubb	Principal
	Mike Jones	Staff Governor
<b>IN ATTENDANCE:</b>	Lorraine Hill	Chief Finance Officer
	Sandra Wilson	Head of Finance
	Liz Wiltshire-Meads	Clerk

**MINUTES**

- F/19/41      Apologies, Declarations of Interest & Quoracy**  
Apologies were received from Emma Tringham, Governor. There were no unregistered interests declared and the meeting was quorate.
- F/19/42      Minutes of the Last Meeting**  
**RESOLVED** that the minutes of the Meeting of the Finance Committee held on the 8<sup>th</sup> July 2019, which had been previously circulated, be approved and signed as a correct record.
- F/19/43      Action Annex**  
There were no matters arising not already covered by the agenda.
- F/19/44      Confidential Business**  
**RESOLVED** that Agenda item 3.2 be dealt with In Commercial Confidence, and item 3.5 as Part II and that the relevant papers and Minutes be withheld from the published records for the prescribed period (unless some longer period is prescribed for certain items).
- F/19/45      GOVERNANCE**  
**F/19/45/1      Committee Terms of Reference Review**  
The Clerk introduced the proposed amendments to the Terms of Reference. It was noted that the Committee had a finance remit only and there was discussion as to whether the remit should be extended to General Purposes with respect to amongst other things, HR and health and safety.  
**RESOLVED: To agree the inclusion of General Purposes to the Committee's remit and for updated Terms of Reference to be drafted for consideration at the next meeting in November, for recommendation to the Corporation in December.**
- F/19/45/2      Committee Cycle of Business**  
The Clerk introduced a new Cycle of Business for the Committee's consideration.  
**RESOLVED: To agree the inclusion of General Purposes to the Committee's remit and for an updated Cycle of Business to be brought to the next meeting in November, for recommendation to the Corporation in December.**

**F/19/46 FINANCE**

**F/19/46/1 Draft Group Year End Position Update 2018/19 and Headline Figures for 2019/20 as at September 2019**

The Chief Finance Officer (CFO) noted that the draft year end position was just over £1M operating surplus which was an improvement on £0.5M forecast. This was due to three main items which had not been prudent to include in the forecast. The result meant a financial health score of 200 which was “good” for 2018/19. There had been no feedback from external audit at the time of reporting. The result improved the balance sheet position but not the cash position. The budget for 2019/20 had been remodelled and the forecast health score recalculated to “good” at 180 points, which the College would need to achieve.

The Principal noted that organisational capacity gaps remained that needed to be filled, and a rebasing carried out in line with the new education standards.

The CFO took the Committee through the rest of the report, responded to questions from Committee members and it was noted that:

- a) the use of the overdraft facility had not been forecast;
- b) interest costs were £20k for 2018/19;
- c) the valuation of the site was at a cost of £13k;
- d) the site was valued at £4.8m.

The Committee NOTED the report, and the Chair thanked the Finance Team on the clarity of the new reports.

**F/19/46/2 In Commercial Confidence - Goschen Update**

This item was deemed In Commercial Confidence and was subject to a separate confidential Minute.

**F/19/46/3 Sub-contracting Arrangements 2019/20 & Supply Chain Fees & Charges Policy 2019/20**

The Head of Finance introduced the report which had been referred back to the Committee by the Corporation for further assurance, and noted that the updated report highlighted the new guidance from the Education and Skills Funding Agency (ESFA) which tightened conditions for sub-contracting and included: 16-18 funding arrangements; the need to record everything in the ILR return; the need for written contracts with all subcontractors, in a timely manner.

The External Auditors had completed an annual review of the College’s subcontract arrangements and provided a clean opinion with only one minor issue. The Head of Finance noted that the College normally retain 25% for administration but the new rules meant that the College had to state what that was for and include a statement on the contract. The College was working on that statement.

Historically the College noted three sub-contracts but under the new regulations all contracts had to be declared as follows:

- ATL - Subsidiary Company
- Plymouth Argyle Football in the Community Trust
- Devonport Royal Dockyard
- Create the Space
- CITB reverse
- Intequal
- Plymouth Raiders.

The ESFA had sent a new communication that the Principal had to physically sign off by 1 November 2019, and the Principal noted that all aspects of subcontracting should be questioned as it would be under very close scrutiny.

Following questions from Committee members and further discussion it was noted that:

- a) the concern and risk was whether the quality team had enough resources to monitor all the contracts to the necessary new quality requirements;
- b) subcontracting would be reviewed by Ofsted should the College be inspected;
- c) the College undertook significant due diligence and stringent checks on all new subcontracts;
- d) the Principal and Board were accountable for all subcontracts

**RESOLVED: to RECOMMEND the Sub-contracting Arrangements 2019/20 to the Board for approval, and for the Supply Chain Fees & Charges Policy to be signed by the Principal and Chair.**

**ACTION: Principal and CFO to review the Raiders and CITB contracts.**

F/19/46/4

**Annual Report on Procurement Activities 2018/19**

The Head of Finance introduced the report which had been moved from summer reporting in order that the full year's activities could be reported. The College had a centralised procurement team through which all College procurement was made for example the South West Institute for Technology tender. There had been some significant contracts during 2018/19 that included: the College's cleaning contract; a new MFD contract; and new insurance. The new cleaning contract was under an improvement notice, and had been a collaborative initiative with South Devon College through the CPC Framework saving the College £113k. The MFD contract saving was £87k and the insurance saving was £78k. It was unlike that the College would make such significant savings in 2019/20.

The Committee NOTED the Procurement Report for 2018/19.

Mike Jones, Staff Governor, was due to leave the meeting due the next item being classified as Part II confidential, as such the meeting would be inquorate.

The Committee RESOLVED that it would delegate the next agenda item decision to the Chair to make a recommendation to the Corporation under Chair's Action.

Mike Jone, Staff Governor, left the meeting. This left the Committee inquorate and the meeting was terminated.

**F/19/47**      **CHAIR's ACTION**  
**F/19/47/1**    **Part II - Pay Award**

This item was deemed confidential under Part II business and was subject to a separate confidential Minute.

**F/19/48**      **Date of Next Meeting**

The next meeting of the Finance Committee was scheduled on Monday 25 November 2019 at 5pm in Room KS301.

There being no other business the meeting closed at 6pm.

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_