

**CITY COLLEGE PLYMOUTH
CORPORATION FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF THE CORPORATION FINANCE COMMITTEE
HELD ON WEDNESDAY 24th FEBRUARY 2016 AT 4.30PM IN ROOM K021**

MEMBERS PRESENT:

Mr Martyn Starnes – MS
Mr Phil Davies – Principal – PD
Mrs Emma Tringham - ET
Mr Mike Jones – MJ
Mr James Venning – JV

OBSERVER:

Mr Iain Perring - IP

IN ATTENDANCE:

Ms Nicola Cove – Deputy Principal - NC
Mrs Julia Tindall-Jones - Clerk

F16/01 Item 1.1 – Election of Chair

Emma Tringham was nominated by Phil Davies and seconded by James Venning. There being no other nominations, Emma Tringham was elected Chair of Finance Committee for a period of one year.

F16/02 Apologies and Welcome

All members were present. The Chair welcomed Iain Perring, a prospective governor candidate, to the Committee.

F16/03 Item 1.2 - Minutes of the Last Meeting

RESOLVED that the minutes of the Meeting of the Finance Committee held on the 24th November 2015, which had been previously circulated, be approved and signed as a correct record.

F16/04 Matters Arising

There were no matters arising not already covered by the agenda.

F16/05 Item 1.3 - Confidential Business

RESOLVED that no agenda items required to be treated as In Commercial Confidence or Part II.

NOTED that no declarations of interest were made at the meeting.

F16/05 Item 2.1 – Corporate Performance Report for January 2016 and

Predicted Outturn

NC briefed the Committee on the College's performance to the end of January and asked it to note the reasons for the positive variance in income and the concomitant likelihood of a £200k positive variance in the predicted outturn against full year budget. Governors discussed the key variances in the report and in particular the possibility of the College putting forward a growth case for 16-18 apprenticeships to the SFA for consideration in early April. NC outlined the mechanism by which additional funding would be sought but emphasised that the College would be over achieving at risk as there was no certainty that extra funding would be forthcoming.

NC then highlighted the growth in Higher Needs Funding and the recognition that the College was now regarded as the key provider in this area by PCC.

Governors discussed the increased fee income and the success in attracting higher numbers of full time HE students than originally planned. NC confirmed that fees were based on performance and attendance and that, to date, the fees were above profile. MS then asked a question regarding the fall in international fees and the reduced recruitment and whether there was a trend. NC responded that the profile for international recruitment was often spiky as a result of many factors including the strength of the pound. The Principal informed the Committee that a governor development session on international partnerships had, coincidentally, been scheduled for the March Corporation meeting.

Moving on to expenditure, NC highlighted the continuing problem of attracting and retaining suitably qualified specialist STEM staff particularly within the TMR faculty and the resultant high agency costs that were being incurred. NC emphasised that the College was not unique in this regard as it was a sector wide problem. Governors discussed the College's strategy to alleviate the problem including its 'grow your own initiative' and asked whether there was any possibility of sharing staff with other colleges. NC confirmed that this was being investigated but that other colleges in the South West were in the same situation. Governors discussed the impact this shortage of STEM specialists might have on the new STEM Centre and JV commented that the problem was not unique as the navy was having to offer incentives for as many as four years to retain their technical staff as STEM specialists were more attracted to industry where salaries were higher. NC agreed that it was a problem which would require a multi-faceted solution, and could not be resolved in the short term.

NC completed her brief by reporting that the two loan covenants required by the bank had been met.

The Committee NOTED the Corporate Performance Report for January and the Predicted Outturn.

F16/06 Item 3.1 – Tuition Fees

NC proceeded to introduce the annual review of the fee strategy asking members to note that no substantive changes had been made. Guidelines regarding the extension of Government funding loans to 2nd level 3 learners at 19+ have been added and informal benchmarking with local and national colleges has verified that the College fee policy is in line.

The Committee APPROVED the Tuition Fees Policy for 2016/17.

F16/07 Item 4.1 – Cashflow and Capital Update

NC then introduced the Cashflow and Capital update asking members to note that the College had 7 days cash in hand at the end of January and was closely monitoring the dip in income experienced cyclically between December and March as a result of the timing of the SFA funding profile and student loan payments.

Moving on to the Capital update, NC reported that the planned capital spend was likely to be slightly over budget but an underspend in 2014/15 would cancel this out and so no variation in spend was required.

Governors noted that the Capital STEM project was reported separately but asked to what extent Faculty Directors and staff had influenced the equipment requirements. NC responded that there had been very close consultation to identify what new equipment was required but also what equipment could be transferred from the Goschen site. NC commented that there would likely be some use of the normal minor capital budget but the College would also be looking at obtaining sponsorship for some major items where appropriate and within the original specifications. Consultation will continue and MJ commented that the staff view was that they had been fully consulted in the process.

The Committee NOTED the Capital/Cashflow Update

F16/08 Item 5.1 - Date of the Next Meeting

The next meeting of the Finance Committee will be confirmed by the Clerk but is likely to be held on Tuesday 28th June 2016 in room K021 commencing at 4.30pm.

There being no other business the meeting closed at 5.30pm.

SIGNED _____ DATE _____