

<b>Date</b>	6 June 2016	Clerk to the Corporation
<b>Venue</b>	Board Room, City Campus	Tel: 0114 260 2620 Fax: 0114 260 2601 val.struggles@sheffcol.ac.uk
<b>Present</b>	Gil Vasey - Chair Ian Brown Paul Corcoran Sally Neocosmos	
<b>In attendance</b>	Heather Smith, College Principal Jason Pepper, Executive Director, Finance and Resources Val Struggles, Clerk to the Corporation	

<b>Minute</b>		<b>Action</b>
<b>16/4/1</b>	<b>Apologies for absence</b>  Apologies for absence were received from Chris Linacre, Richard Wright and Darren Tidmarsh.	
<b>16/4/2</b>	<b>Minutes of the meetings held on 25 April 2016</b>  The minutes were agreed as an accurate record.	
<b>16/4/3</b>	<b>Declaration of interest</b>  No declarations of interest were recorded.	
<b>16/4/4</b>	<b>Matters Arising and Action Record</b>  <u>1 Action Record</u>  The Committee noted that Governors had been invited to comment the initial report by Grant Thornton on the Internal Audit Review of the governance of subsidiaries and the UTC Academy Trust. Further work has been undertaken recently by Grant Thornton and the final report, with recommendations, is due to be considered at the Audit and Risk Assurance Committee meeting on 27 June 2016.  The action record will be updated and reissued with the agenda for the next meeting.	<b>Clerk</b>

## 2 Matters Arising

There were no matters arising other than those included on the agenda.

### **16/4/5 Monthly Management Accounts April 2016**

Since the last meeting the Monthly Management Accounts for April had been circulated to all Governors, with a covering letter from the Executive Director, Finance and Resources. During the presentation and discussion of the April Accounts the following issues were highlighted (some details are recorded in the confidential minutes):-

- i) At the end of April, the forecast year-end outturn had been revised to show a marginally higher operating surplus out turn. This remains an adverse variance compared with the budgeted operating surplus outturn of £1.7m. A review of expenditure indicates there is potential for further improvement with the overall aim continuing to be the achievement of a year end outturn operating surplus of £1m.
- ii) The College's financial health rating remained 'satisfactory' based on the SFA's methodology.
- iii) During April the decision was taken to increase the volume of sub-contracted activity to ensure the drawdown of the full SFA funding allocation, although this will provide a lower contribution than direct delivery.
- iv) Any receipt from the sale of Norton campus has been omitted from the cash flow forecast and the potential payment to HMRC (in respect of the disputed Lennartz scheme) is shown as a separate amount. In relation to the latter, further delay in the receipt of a tax assessment is likely to impact in the next financial year.

Members were informed of the triannual review of the South Yorkshire Pension Fund due later this year in addition to which, as a result of the new accounting treatment standards which will apply to the 2015/16 financial statements, the accounting treatment of the pension fund deficit in the annual accounts will be affected.

### **16/4/6 Draft Budget 2016/17 - Confidential**

The Committee received a report providing an overview of the latest draft budget for 2016/17, noting that this continued to be work in progress prior to presenting a final version to the next meeting.

Details of the issues raised during the presentation and discussion are recorded in a separate confidential minute.

### **16/4/7 IT Systems related procurement - Confidential paper**

As requested by the Committee, the paper provided an overview of IT Systems related procurement during recent years and addressed some of the issues raised in previous meetings. During the presentation and discussion the following points were raised (some are recorded in a

separate confidential minute).

- i) It was acknowledged that the procurement of IT Systems should be underpinned by an IT strategy which in turn needs to take account of a range of other strategies, for example those relating to investment, curriculum development, teaching and learning, accommodation and infrastructure including business operations (ie HR, Finance, Student records) etc.
- ii) The current challenges and barriers were identified as the lack of clarity regarding a longer term vision; capacity; resources and the failure to involve the IT Systems team in the (procurement) decision making process.
- iii) Although previously the College has benefited from the availability of grants to make significant investments in IT, this will present a challenge in future when replacements are required. In addition the current leasing arrangement will expire in July 2018 requiring a decision to be taken on the College's approach beyond this date.
- iv) No issues of concern were highlighted in relation to the procurement processes for IT equipment hardware or software licenses. It was acknowledged that there are a number of unique products for which there is little or no genuine competition in terms of suppliers and for this reason market testing or undertaking a full tender process would incur significant costs for little financial benefit. However, consideration will be given to negotiating with relevant suppliers to reduce fees / costs to obtain the best value for money.

Governors welcomed the comprehensive report which summarised the current position and expressed the view that a 'route map' is required, based on a 5-10 year IT/MIS strategy which identifies short term measures required to reduce costs and a medium term plan specifying the changes needed to replace equipment / licenses to support the curriculum and infrastructure strategies.

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## 16/4/8 Subsidiary companies update

### 1 Year to date performance

Details of the year to date position and the forecast year end outturn compared with budget were noted as set out within the April Monthly Management Accounts.

- i) Sparks Managed Services  
The year to date expenditure was slightly adverse to budget partly due to the turnover in staffing and the shift towards filling certain posts vacated by College staff with SMS staff.
- ii) Sparks Teaching Services  
Payroll costs were higher than budgeted due to the increase in

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delivery by agency staff. The Executive Team will consider the proposal to introduce a new booking system for next year which should make the utilisation of agency staff more efficient and enable the reasons why cover is required to be more closely monitored.

iii) Sparks Solutions

Following a period of vacancy management, the 2016/17 budget anticipates that current vacancies, particularly in the areas of employer engagement and business development, will be filled as these are in the process of being recruited to.

During the discussion issues were reported relating to the UTCs, details of which are recorded in the confidential minutes.

**16/4/9 Any Other Business**

Update on Norton campus

The Committee was informed that the planning application is proceeding and the expectation is that this will need Secretary of State approval. Consequently it is anticipated that the sale will not be completed until August or September (rather than the end of July as previously reported). However, the developers remain positive and a number of national retail clients have been identified for the development.

**16/4/1 Review of meeting**

Members commented positively on the detailed and robust discussion.

**16/4/11 Date of next meeting**

Monday 4 July 2016 at 8.00 am in the Boardroom