

CHELMSFORD COLLEGE
PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE
2ND MARCH 2010

Present: Elaine Oddie (Chair)
Peter Rainbird
David Law (Principal)

In Attendance: Paul Bayliss (Director of Finance)
Mike Tadman (Director of Human Resources)
John Fowl (Clerk to the Corporation)
Joanne Saward (Minuting Secretary)

332. Apologies for Absence

Apologies were received from Graham Evans, Phil Bridge and Bob Best.

333. Declarations Of Interest and to Notify Confidential Items

There were no declarations of interest and no confidential items notified.

334. To Approve the Minutes of the Meeting Held On 10th November 2009

The minutes were **Approved**.

335. Matters Arising

CTS Acquisition

Paul Bayliss informed the Committee that the College was in the final stages of negotiating the price that will be paid to take over this company. The final sum paid will be reported to the Board of the Corporation at the end of March. It was noted that the staffing levels for CTS are to be reduced to eight people. A Commercial Development Manager had been appointed within the college at the beginning of January 2010 and early indications of the developments he has initiated are positive.

College Nursery

Essex County Council Grant Panel met on 26th February 2010 and the College is currently awaiting a letter to notify the outcome from that meeting. Governors were told that the College had negotiated better premises for the Nursery which would cost approximately £420,000. Essex County Council were expected to award the College a grant of £400,000 towards this cost.

Land Sale

Paul Bayliss reminded governors that he had previously reported to the Board of the Corporation that the College had not been able to buy the adjoining land recently offered for sale. However, the College had managed to sell the small strip of land to the neighboring dentist for £25,000 instead of the £20,000 expected and reported to the Board to the Corporation.

336. To Receive Human Resources Reports

Mike Tadman reported that the College Staff Council was now up and running with representatives from all areas of the College confirmed. The first meeting had been held on 12th February 2010.

Governors were informed that the FE sector was no longer in dispute with the union UCU but given the financial constraints being experienced generally within FE this position may change. The Committee was told that the Employment Tribunal System in the London East area appeared to have stalled with the number of cases to be heard rising on a weekly basis. The College had received the second claim from an existing plaintiff but Mike Tadman confirmed that the College had insurance in place to indemnify the College against any cost. It was noted that as a result of a number of pre-hearings some cases have seen some elements of the claims withdrawn.

Organization Structure and Cost Reduction

It was agreed that this minutes should remain confidential.

337. To Receive the Management Accounts January 2010

Paul Bayliss stated that further work had been undertaken on the accounts which suggest that the College was on target to achieve the budget operating surplus of approximately £503,000. Pay costs are slightly over budget but are offset by other income and reduced non pay costs. It was confirmed that the £25,000 income from the sale of the land to the dentist had been included within the accounts. Governors noted the timing relating to the expenditure for Assessor pay costs and that the budgeted outturn remained the same. The Committee noted that the increased loss incurred by the Refectory in the sum of £45,700 in respect of the Refectory trading account and urged the Principal and Director of Finance to explore other ways of providing the Refectory service to improve this position and to eradicate the loss if possible.

It was **Resolved** that the Management Accounts January 2010 be received.

338. Funding Update 2010 - 2011

The final funding allocation for 16-18 students was expected to be notified on 8th March 2010. A total of £9.765m was expected which whilst more than received in 2009/ 10 was for more students than the current year. David Law explained that the Additional Learning Support allocation was fluctuating widely but the College was still anticipating an income of at least £300,000. Funding for 19+ learners had been reduced by £400,000 (24%) and this will result in a reduction of the courses offered for 19+ learners. The funding for Train to Gain had been reduced by £20,000 and Apprenticeship funding for 19 to 24 year olds and 25+ learners will prove very difficult in the immediate future. It was stressed that the trading conditions over the next few years will continue to be difficult as the public sector cuts announced by government begin to take effect. A significant number of colleges (25%) had seen their funding for 16-18 learners reduced significantly and these colleges were having to consider significant numbers of redundancies amongst staff. This currently was not the case at Chelmsford College.

It was **Resolved** that the Report be received.

339. Revised Financial Projections 2009/ 10 to 2011/ 12

Members received a report setting out the revised three year financial projections based on the current funding situation. Staffing was unlikely to need reduction but some staff may be expected to teach in areas other than those normally undertaken by them. It was noted that the forecast continued to suggest surpluses but not to the levels previously reported to the Board. It was confirmed that the Board of the Corporation will receive a revised Three Year Financial Projection at the July 2010 Board meeting.

It was **Resolved** that the report be received.

340. Benchmarking Data

Governors received the benchmarking data which compared the national data against the key performance indicators previously agreed by the Committee. Paul Bayliss stressed that the data drawn from 87 colleges to produce the benchmarking data was in some places questionable as to the accuracy of the data reported. Members noted the comparative data and that 60% of colleges outsource Refectory provision whereas the College currently employs staff direct for this facility hence the benchmarks were skewed as a consequence. It was noted that the overall trend for the College was one of improvement.

It was **Resolved** that the benchmarking data be received.

341. College Pension Arrangements

Governors were informed of the legal position regarding pensions for college staff. These being a statutory requirement within the 1992 Further and Higher Education Act. Subsidiary company staff however were not covered by this and therefore could be offered stakeholder pensions at a much lower cost to the College. It was noted that all staff employed directly by the College other than through subsidiary companies had to be offered either membership of the Teachers Pensions Scheme or the Local Government Pension Scheme.

It was **Resolved** that the report be received.

342. Any Other Business

a) The Chair encouraged members to consider various way in which the College might make savings on the budget in future years and to bring changes to how things are currently done. The discussions covered the following areas:

- Pensions and use of subsidiary companies
- Sick pay arrangements and cost reductions available should the College move to a statutory minimum scheme
- Flexible employment arrangements that have grown over the years could be reversed to produce more full time staff and fewer part time staff
- Shared services with other similar organizations
- Outsourcing of some services
- Consortia purchasing arrangements

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- b) The Principal informed the governors that Chelmsford College had become a founding member of the Crescent Purchasing Consortium Ltd (a company acquired by the AOC from Salford University). This was a company limited by guarantee and the College total liability was £1. It was agreed that the list should be placed on the agenda for the next Board of Corporation meeting

343. Date of Next Meeting

The next meeting will be held on 22nd June 2010 at 3.30 pm

The meeting moved into the Confidential Part II item of the agenda at this point

Chair

Date

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