

**CHELMSFORD COLLEGE**  
**PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE**  
**21<sup>ST</sup> JUNE 2011**

**Present:** Elaine Oddie (Chair)  
Phil Bridge  
Graham Evans  
David Law (Principal)  
Janice Maclean  
Michael Lager

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

**378. Apologies for Absence**

Apologies were received from Joanne Seward.

**379. Declarations Of Interest and to Notify Confidential Items**

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

**380. To Approve the Minutes of the Meeting Held On 1<sup>st</sup> March 2011**

Under item 371 it was confirmed that there remained four employment tribunals outstanding.

With this amendment the minutes were approved.

**381. Matters Arising**

Trade Union Disputes

Members were advised that the teaching staff had voted in favour of a national strike on 30<sup>th</sup> June 2011 against the proposed changes to the Teachers' Pension Scheme.

80 Vicarage Road

Members declared this minute commercially sensitive and therefore should remain confidential.

**382. To Receive the Human Resources Report**

Members declared the report on employment tribunals and restructuring as confidential due to individuals being identified in the reports.

The Committee was informed of the progress and status of each of the employment tribunals. It was noted that the legal cost continued to be covered by Peninsula Insurance.

Safeguarding training of staff was progressing well with Governors training due to be conducted on 8<sup>th</sup> July 2011.

(2)

It was confirmed that training had been arranged for Phil Bridge the lead governor for safeguarding.

The potential dispute regarding IFL is no longer an issue and the dispute on teachers' pensions has become the main focus for the current year.

AOC pay negotiations with the trade unions had progressed as usual and a very minimal proposal had been put to the unions by AOC. Employer relations at the College however were generally very good and no staff had participated in the national day of action on 24<sup>th</sup> March 2011.

(It was agreed that the minute regarding restructuring be designated as confidential as individuals could be identified by the content.)

The Governors questioned whether there was any resentment from other hairdressing salons in Chelmsford following the opening by the College of the Zest challenge. The view was expressed that this was no more than normal commercial competition and no hostile reaction had been detected.

Members were informed that the College had been working towards an equality standard 'Committed 2 Equality' (C2E) and has been successful in achieving the gold standard which is the highest level awarded.

The Chair requested that statistics on staff turnover and profile should be presented to the next meeting of the Committee.

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

### **383. To Receive the Management Accounts – April 2011**

The first three quarters of the financial year had produced a very strong result. Members noted the significant operating surplus that was anticipated by the year end. Staff have been working to their contracted hours and this has helped in achieving the overall surplus for the College group which includes Chelmsford Training Services and Dovedale Nursery. The Committee was informed that management fees will be shown against Chelmsford Training Services and Dovedale Nursery in the next financial year once a clearer picture of their operation became available.

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

### **384. To Consider the Draft Budget 2011/12**

The budget presented to the Committee had been based on the income data provided by the relevant government funding agencies. Members were told that the assumptions used in setting the budget and the student numbers that were expected. The budget also indicated Chelmsford Training Services and Dovedale Nursery to be making a surplus in 2011/12. Within the budget paper it was proposed that the Board of the Corporation agreed to change the key

objectives to change the current ratio to a minimum of 1.25% the pay costs as 65% of budget and financial health grade a minimum of 'good'.

Members questioned the reliance on funding from the Skills Funding Agency and YPLA and it was confirmed that the College anticipated maintaining 85% of funding from these sources due to the shift from 19+ students towards 16-18 students. It was confirmed that the College will seek to reduce its reliance on government funding wherever possible.

The main variances in income and expenditure were noted having previously considered a 0% allowance for pay increases in 2011/12 the SLT was now of the opinion that a 2.5% pay award should be provided for within the budget so that staff could be rewarded for the contribution they have made towards the success of the College.

It was **Recommended**:

- i.) That the Board of the Corporation approves the budget 2011/12
- ii.) That the Board of the Corporation approves
  - a) The current ratio being set at a minimum of 1.25%
  - b) That pay costs should be set at 65% of budget
  - c) That the College should seek to maintain its financial health at a minimum of 'Good'

Members discussed the changes in the Local Government Pension Scheme whereby Essex had reduced the employer funding rates. Michael Lager as an Essex County Councillor, declared his interest in this item.

### **385. To Consider the Draft 3 Year Financial Plan 2011/12 – 2013/14**

The first year of the 3 Year Plan was the same as the budget for 2011/12. The key assumptions in setting the 3 Year Plan were noted and this encompassed the capital development works that were proposed.

Governors were informed that the shorter timescale for completion of the capital developments will result in a higher depreciation in 2012/13 accounts but this would not make any significant change in the overall figures presented in the 3 Year Plan.

Staffing levels were projected to reduce over the three year period and these were anticipated to be achieved by natural turnover.

The financial health of the College under the new automated system continued to be 'Outstanding' other than in 2013 when it will be graded 'Good'.

It was expected that the improved accommodation as a result of the capital development will see an increase in demand for student places.

It was **Recommended** that the Board of the Corporation approves the 3 Year Financial Plan 2011/12 – 2013/14.

**386. To Approve the Capital Expenditure and Proposed Projects**

The capital expenditure and projects proposed for 2011/12 were noted together with the cost of each. These had been provided for within the draft budget 2011/12.

Members queried the costs associated with the proposed network storage area and telephone system. SLT were asked to ensure that they obtain best value for these items and it was agreed that they would provide a more detailed breakdown of both proposed purchases to the Board of the Corporation on 8<sup>th</sup> July 2011.

The Governors requested that they receive a presentation on the IT Strategy so that they are able to make the strategic decisions required of them. It was agreed that Richard Davies will be invited to the next meeting of the Committee to present this.

The new build project has been placed to tender and Arcadis had produced a report on the tenders received. After analysis Arcadis had recommended placing the contract with Interserve with a project timescale of 61 weeks. The SLT have carried out financial searches on Interserve and the company appears to be sound and has a good reputation within the education sector.

It was **Resolved:**

- i.) That the capital expenditure and projects be approved
- ii.) That the SLT should produce a detailed statement for the cost of a new telephone system and IT servers

**387. To Review the Terms of Reference of the Committee**

The members reviewed the Terms of Reference for the Committee to ensure that they continued to provide for the needs of the Corporation. A number of changes to wording and content were made and these were **Recommended** to the Board of the Corporation for approval.

**388. Any Other Business**

- i) David Law outlined the proposed new regions being established for the Skills Funding Agency. Members were informed that the YPLA would shortly be 're-badged' as EFA (Education Funding Agency) with new responsibilities. Chelmsford College will be grouped within the 'Eastern Territories'.
- ii) Shared Service Project  
This project had been sponsored by ACER with five Colleges in the eastern region being involved. Paul Bayliss and Mike Tadman had attended exploratory meetings but no common ground had been found between the Colleges for HR and Financial Services.

There was some concern that consultants were drawing funding from ACER for the project with little benefit to this College by way of cost savings and the SLT had considered whether this project was worthwhile giving its propensity to take up a large amount of management time.

The Committee was supportive of the College SLT ceasing membership of this group given the larger issues being faced in respect of the capital developments in the next two years.

Governors were of the view that if other Colleges wish to follow the systems established within Chelmsford College the College would be happy to sell to the other Colleges.

It was **Resolved** that the Senior Leadership Team be supported in withdrawing from the Shared Services Project.

iii) Lawyers had been appointed to agree the bank loan arrangements for the capital projects and Governors were provided with a detailed copy. Full details of this will be presented to the Full Board of the Corporation on 8<sup>th</sup> July 2011.

iv) Zest and Nursery Cash Handling

The Internal Audit Service had been asked to look at this aspect of the hairdressing salon and nursery operations. The report had gone to the Audit Committee with a number of recommendations from the Auditors with a view to tightening up the cash handling processes.

### **389. Date of Next Meeting**

The next meeting will be held on Tuesday 22<sup>nd</sup> November 2011 at 3.30 pm

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Chair

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Date.

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