

CHELMSFORD COLLEGE
PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE
23rd JUNE 2009

Present: Elaine Oddie (Chair)
Peter Rainbird
Bob Best
Michael Lager
Graham Evans
David Law (Principal)

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

308. Apologies for Absence

There were no apologies.

309. Declarations Of Interest and to Notify Confidential Items

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

310. To Approve the Minutes of the Meeting Held On 3rd March 2009

The minutes were **Approved**.

311. Matters Arising

Private Training Provider – CTS Acquisition

Members were informed that there remained a question whether CTS would be awarded the Work Based Learning contract next year. The College had commissioned a number of audits to be undertaken into the business of CTS and a full report will go to the Board of Corporation on 10th July 2009. It was noted that any decision will impact on the strategic objectives regarding Work Based Learning. David Law outlined the position regarding the takeover of CTS and the stance on Chelmsford College will be taking should the contract for Work Based Learning not be awarded to them.

312. To Receive the Management Accounts May 2009

Members were informed that the outturn actual surplus to date was £256,655. Paul Bayliss explained the difficulty in projecting the final year end outturn due to not knowing what funding the LSC would pay regarding the capital cost the College had incurred to date. At a recent meeting the LSC had indicated that the College would be reimbursed all costs associated with the planned capital build in accordance with the Capital Handbook and this assumption had been built into the accounts. Income from interest paid on deposits was significantly reduced due to the current economic downturn. Peter Rainbird stressed that the College needed to address the refurbishment of existing buildings now that the capital development was unlikely to go ahead.

It was noted that there had been a deliberate overspend on marketing following the decision by the College to buy an inflatable dome for use at promotional events. David Law explained to the governors that the recession had had an impact on College enrolments. It was proving frustrating that after the LSC had encouraged increased enrolments they had subsequently informed the College that there was not sufficient funding to pay for all those enrolled. Members noted the positive and adverse variances identified in the management accounts and that the anticipated year end operating surplus was projected as approximately £180,000.00.

It was **Resolved** that the management accounts be received.

313. LSC Funding Allocation 2009-10 and Draft Budget 2009-10

The allocation for 16-19 year old enrolments had been set at a lower number than those enrolled. Due to the LSC capping the funding having previously stated that all growth in this age group would be funded. David Law warned the College could not accept too many unfunded students and may have to turn away some. In the 3-year plan a 5% over recruitment had been built into the figures. Increased enrolments had occurred in Public Services and Forensic Science whilst other areas had remained stable. Members noted the key assumptions made in setting the draft budget.

Capital expenditure budget 2009-10 was presented to the governors and the projects identified in the schedule reflected the comments from the recent Ofsted inspection. Additional smart boards are to be purchased so that every classroom would have one installed. Members were asked to note the non IT capital expenditure proposed and the areas in which this would be directed. In addition capital expenditure will be allocated for general maintenance of the College buildings with a view to improving the general environment.

It was **Recommended** that the Board of the Corporation:

- a) Approves the Annual Budget 2009-10
- a) Approves the Capital Budget 2009-10

314. To receive the 3-Year Financial Plan 2009-12 and the Strategic Financial Objectives and Assumptions for 2009-10

Production of the 3-year Financial Plan had been delayed due to late receipt from the LSC of the software programme needed to calculate the projected funding. Members noted that the operating surplus would fall during 2010/11 and 2011/12. The Strategic Financial Objectives and Key Assumptions were received by the members and they were invited to forward any comments to Paul Bayliss who in turn would submit the Final 3-Year Financial Plan and Financial Objectives to the Board of the Corporation on 10th July 2009.

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

315. Benchmarking – 15-20 Key Performance Indicators

Due to the late delivery of the software from the LSC to produce this information the item would be carried forward to the next meeting of the PF&GP Committee.

316. Human Resources Report

- a) IIP and Inspection Audits

There has been a very good outcome from the Investors in People audit and the governors who had been involved on the day were thanked for their contribution. The Ofsted inspection had revealed no issues regarding HR within the College but Mike Tadman noted that a great emphasis has been placed on the protection of children and vulnerable adults during the inspection. Members were advised that in this area the expectations of Ofsted Inspectors were higher than the legal requirements and hence this has been added as a risk within the College Risk Register. Legislation is changing again and there will be a new "Vetting and Barring" scheme in respect of staff employed. The implications for the college were noted.

b) Employer Representative Structure

Members were informed that this would be launched at the Staff Conference. The College was also intending to reward staff for suggestions that they make to improve things within the college. The HR department were currently looking at the pay structure for teaching staff in order to help provide an incentive to staff through this.

c) National Pay Negotiations

The negotiations between AOC and trade unions have resulted in a recommended pay offer of 1% being made. Members were advised that this may lead to some form of industrial action on the part of the trade unions [revised to 1.5% at time of minute preparation].

d) Employment Tribunals

Members were advised that the College had been involved in four employment tribunals and Mike Tadman provided details of the cases being made against the College. It was confirmed that the College will be indemnified via insurance cover but the advice from the College solicitor was that the claims were weak.

317. Any Other Business

The Ofsted report had been published on 19th June 2009 and the College had been graded 'Good' overall. At the same time as the Ofsted inspection the LSC Provider Financial Management Auditor had looked in detail at the financial management and governance process within the College. Both areas had been graded outstanding

318. Date of Next Meeting

The next meeting will be held on 10th November 2009

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

Chair

Date

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