

CHELMSFORD COLLEGE
PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE
23rd June 2015

Present: Michael Lager (Chair)
Andy Sparks (Principal)
Elaine Oddie
Graham Evans
Bill Pigram
Janice Maclean

In Attendance: Debs Hurst (Director of Finance)
Caroline Williams (Director of Quality & Learning)
Mark Emerson (Head of Information, Systems & Planning)
Mike Tadman (Director of Human Resources)
John Fowl (Clerk to the Corporation)

518. Apologies for Absence

There were no apologies

519. To Receive Declarations of Interest and to Notify Confidential Items

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

520. To Approve the Minutes of the Meeting Held on 10th March 2015

The minutes were approved.

521. Matters Arising

The Financial Recovery Plan (version 2) had now been transferred to the SFA required format and was presented to the Committee for information.

522. To Receive the Human Resources Report

The report covered 3 broad areas for the Governors to note, ie. Cost reductions, increased staff recruitment and staff performance management. In response to a question from the governors Mike Tadman stated that there was no single cause for the increase in staff turnover although in part it was due to the more strict quality improvement work undertaken by the College. The voluntary severance (VS) scheme offered to staff had resulted in 10 staff leaving although another 13 staff that applied could not be accepted for VS. The main criterion for VS was to achieve cost savings.

It was noted that the College had been successful in recruiting new staff of a good quality.

As part of the new structure the post of Director of Curriculum for Princes Road Campus was in the process of being recruited with the hope that the person appointed will start by the start of September.

The Governors considered the Dir. Of Curriculum post and expressed the view that the Board should at a future date consider the criteria for designating posts as Senior Post-holders as defined in the Instrument & Articles of Governance.

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

523. To Receive the Management Accounts to 31st May 2015

The Committee received the Management accounts and were informed that by the end of year a break even position was expected.

Members noted the main variances in Income & Expenditure.

The Committee sought clarification of the 'margins' expected for the various income streams of the College.

Members were puzzled as to why the Nursery income appeared to be falling below budget and Debs Hurst stated that it could be the manner by which the invoicing is done. She confirmed that she will be checking this.

Governors expressed their satisfaction that the overdraft facility had been little used and were told that the facility will remain in place for the next 2-3 years.

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

524. Budget 2015-16

The proposed budget was showing a predicted surplus out-turn of approximately £220,000 provided there are no further reductions in income from SFA/EFA after the end of July 2015.

Members discussed the recent comment by the Education Secretary which appeared to place a question mark over the future of General FE Colleges. The view was shared that there were likely to be more Colleges mergers in order to reduce costs.

It was **Recommended** that the Board approves the Budget 2015-16 at the Board meeting on 10th July 2015.

525. To Receive the College Financial Recovery Plan

The Recovery Plan had been put into the template expected by SFA and had been submitted on 29th April 2015. The SFA had confirmed that it provided the SFA with the necessary assurances they required.

It was noted that Scrutton Bland had checked the figures in the Plan. The Committee wished to record their thanks and appreciation for the hard work undertaken by Debs Hurst and the rest of the team in putting together the Plan.

It was **Resolved** that the latest version of the Financial Recovery Plan be received.

526. Committee Self-Assessment & Review of Terms of Reference

The Members considered that their attendance had been good during the year and that they worked well with appropriate challenge to the SLT.

It was considered that the impact on the learner had been positive despite the reduced income. During one of his visits the HMI had remarked that the college had made a good investment in Maths & English provision despite the financial situation the College had found itself in.

Governors acknowledged that as a Committee they might have been more challenging on the areas that appeared to be problematic.

The Committee accepted that it had been a shock to suddenly find the College had a financial problem and stressed that there was a need to ensure such issues could in future be identified more quickly. It was noted however that the unexpected claw-back of funding as a result of a retrospective change to the interpretation of funding rules had not helped in this regard.

All reports to the Board and its Committees now include identification of potential risks.

The Committee considered that it had worked in accordance with the Terms of Reference in place during the year but felt that a number of amendments and additions should be made to include;

- a) understanding the business together with the consequential movements of income, expenditure, capital investment and cash flow.
- b) Identifying the College's financing needs (including duration) and to have oversight of all loan negotiations with third parties in relation to the provision of finance, and make recommendations to the Board,
- c) establish and monitor the operation of a Treasury policy on cash and investments subject to the Board's approval.
- d) advising on proposals for acquisitions, mergers or disposals of significance to the business as a whole including joint ventures and other long term contracts, and monitoring the progress of investment projects.

It was agreed that responsibility for the Safeguarding & Prevent arrangements should be included in the Terms of Reference for the Quality & Learners Committee.

It was **Resolved** that the self-assessment and review of the Terms of Reference be approved.

527. Any Other Business

(i) Prevent Strategy

Governors sought clarification on whether the Prevent Strategy had identified issues in the College. The Principal outlined the situation in the College but expressed the view that in common with all colleges in the sector it was now considered a risk which the College has to keep under constant watch.

Mark Emerson outlined the controls in place for users of College IT equipment.

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(ii) Capital Bids

Debs Hurst confirmed that a full report of the capital projects for the year ahead will be presented to the Board on 10th July 2015.

528. Date of Next Meeting

The next meeting will take place on 24th November 2015

Chair

Date