

CHELMSFORD COLLEGE
PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE
25TH NOVEMBER 2014

Present: Elaine Oddie
Michael Lager (Chair)
Andy Sparks (Principal)
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)
Joanne Saward (Minuting Secretary)

497. Apologies for Absence

There were no apologies

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

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

499. To Approve the Minutes of the Meeting Held on 24th June 2014

Under item 487 the fourth paragraph should read "reducing turnover level to just 14.2%".

With this amendment the minutes were approved.

500. Matters Arising

- i) Debs Hurst Recommended that no change be made to the way the College accounts are presented as a result of the new accounting standard FSR102
- ii) Item 486 – VAT is not chargeable from Essex Shared Services Ltd if the service is not sold to Chelmsford College or South Essex College. When other colleges join, it will reduce the cost to each college and this will not incur VAT but would reduce the overheads costs. Debs Hurst confirmed that it was not necessary to go out to tender for the new shared service.
- iii) Under item 487 (f) - Governors to do online Safeguarding training when more licenses have been purchased.
- iv) Under 489 – Mike Tadman reported that staff costs are on target to be 62-63% of turnover for 2014/15.
- v) Under 494 – Caroline Williams advised that she was still to look at possible revisions to the Terms of Reference for the Committee.

501. To Receive the Human Resources Report

Staff Data

The number of staff employed continues to reduce with 17 fewer than at 31st October 2014. The College SLT are now looking to see how to reduce the use of agency staff.

A full review of staff costs and organisational structures will be undertaken by SLT in December 2014

Staff turnover has increased to 18.8% over a rolling 12 months period against the AOC average of 18.2%.

Members received a detailed analysis of the staff turnover compared to other institutions

The Committee requested this analysis at each meeting

Details of staff performance rankings were shared with Governors. Of three staff marked 'inadequate' one has resigned and final stage meetings are scheduled for the other two.

Employment Relations

A strike due for 14th October 2014 was called off. UCU have now advised their demand for a 3% increase for 2014/15.

The one outstanding employment tribunal was dismissed and now none remain unresolved.

Shared Services

Mike Tadman reported on further talks between Chelmsford College and South Essex College to consider additional shared services. Mapping of roles is being undertaken by both colleges and costs with risk assessment will be presented to the March 2015 PF&GP Committee meeting. Currently the College is looking at the potential for a shared service for Human Resources.

Performance Management

A Management Committee has been established with draft objectives to consider the performance management arrangements in the PIAP.

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

502. To Receive the Consolidated Members Report and Financial Statements to 31st July 2014

The Auditor is waiting on final SFA funding reconciliation statement and when received will be able to finalise the accounts.

Debs Hurst advised of the change of Gift Aid rules and KPMG checking to see that such transfers from the Nursery are not in excess of the rules that apply.

Members attention was drawn to the detail in the accounts and in particular the recent Ministerial change in the interpretation of the funding rules which

has added £242K to the College deficit outturn. An appeal to SFA has been lodged and meetings are taking place with the SLT. It was acknowledged that all future meetings between SLT and SFA should be minuted or matters agreed by/with SFA confirmed by way of correspondence.

Governors questioned whether it was financially sensible to continue with CTS as it is losing almost £2,000 per day. A discussion took place as to the alternatives that may be possible for the areas in which CTS operates and how the costs of Beacon House could be charged to CTS rather than College.

It was **Resolved** that a revised proposal for this operation will be presented to the Board of the Corporation at its Away Day in February 2015.

Members were informed of the background leading to the Claw-back of £259K funding by the SFA.

Members queried what the shortfall of apprenticeships was compared to the original allocation and Mark Emerson explained the situation and the impact of taking on LOTA at the request of SFA. Further discussion took place on the vagueness of the SFA funding system.

Members reviewed the Financial Statements and considered them on the basis of the statement that the College is a "Going Concern" and were satisfied that this statement in the Financial Accounts was sound when compared with the definition of that term as provided by the Chair.

Debs Hurst advised of the meeting with Lloyds on 25th November 2014 and it seems that (subject to confirmation) and they are willing to offer a short term overdraft of £0.5m. A report of the outcome will be presented to the Full Board of the Corporation on 12th December 2014.

In looking at the CTS balance sheet it was agreed that if CTS is to continue the balance sheets of the College and CTS need to be re-structured. Governors' queried whether a provision should be made in the college accounts to cover the deficit of £800K+ in CTS accounts. Debs Hurst undertook to seek advice on this point.

CTS

Governors questioned whether this is a "going concern" but accepted that provided the College as the main creditor was able to give an undertaking regarding its position then the company would be able to continue to trade.

It was **Recommended** that the Board approves the Financial Statements of Chelmsford Training Services at the Board meeting on 12th December 2014.

Dovedale Nursery

Further adjustments due but the accounts as presented were unlikely to alter substantially.

It was **Recommended** that the Governors approve the Consolidated Financial Statements of the College at the Board meeting on 12th December 2014.

503. To Receive the Group Management Accounts to 31st October 2014

The Committee received the Management accounts for October 2014 and were informed that it was now necessary to send a set of the monthly accounts to the SFA each month.

Members noted the main variances in Income & Expenditure and that there was currently a small surplus of £14,000.

The Governors questioned the increased cost of exam fees and were told that this was due to the additional exams that were now required for Maths and English. In addition some of the fees paid are related to future years but have to be paid in advance.

It was noted that the report format was generated from the new finance system and would be enhanced further as staff become more familiar with the system.

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

504. To Receive a Joint Venture Agreement with South Essex College

It was reported that both Colleges had contributed an initial £20,000 to the setup costs of the Shared Service company but Governors were of the view that the contribution should be in proportion to the company ownership ie. 63% SEC and 37% Chelmsford college.

A number of suggested changes were put forward to tidy the agreement up.

It was **Resolved** that the revised Joint Venture Agreement with South Essex College be approved.

505. To Receive Full KPI Report

At the Board meeting on 17th October 2014 Governors had asked for a regular KPI report.

Members were shown a draft format for them to consider by way of content and layout.

The view was expressed that it was a good start but that it required more input to make it robust for Chelmsford College.

The task groups set up at the suggestion of the Board Chair were just starting and these will contribute to the KPI discussions. The document had been shown to the 'monitoring inspector' to ensure it covered the areas needed for Governors to monitor.

It was **Resolved** that the KPI's be received.

506. Any Other Business

Given the number of issues that will be dealt with at the start of February the Chair recommended that the Governor Development Day be put back

(5)

from 6th Feb to take place instead on 27th February 2015. This was unanimously agreed.

507. Date of Next Meeting

The next meeting will take place on 10th March 2015

Chair

Date