

CHELMSFORD COLLEGE
PERSONNEL, FINANCE & GENERAL PURPOSES COMMITTEE
10TH MARCH 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)
Peter Moore (Finance Manager)
John Fowl (Clerk to the Corporation)
Joanne Saward (Minuting Secretary)

508. Apologies for Absence

There were no apologies

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

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

510. To Approve the Minutes of the Meeting Held on 25th November 2015

The minutes were approved.

511. Matters Arising

- i) It was confirmed that the Terms of Reference for the Committee will be considered as part of the Committee Self-Assessment that will be undertaken as part of the summer term meeting and some wording regarding Value Added will be considered for inclusion.
- ii) The Joint Venture agreement with South Essex College (SEC) has been discussed and SEC Board of Governors has now agreed for costs to be shared on the basis of 63% from SEC and 37% from Chelmsford College.

512. To Receive the Human Resources Report

Safeguarding.

The College is reviewing the HR related aspects of Safeguarding arrangements to ensure the most positive impact on the Learners. All staff have received training in Safeguarding and training for the Governing Body is to be finalised.

Staff Data.

Since December 2014 no new staff have started before they have completed an enhanced DBS. The decision as to the type of DBS is based on a risk analysis model. Members were told of the risk assessment process

that is undertaken should the DBS check show previous convictions of a minor nature that do not impact on the College responsibility for Safeguarding.

Staff Performance Management continues with weekly meetings with all academic managers.

Staff turnover has increased to approximately 25% over a rolling 12 months period against the AOC average of 18.2%.

An analysis of the staff choosing to leave the College shows a link with those seen to be poor performers as identified by the Performance Management process. The process appears also to have had a positive effect on classroom teaching standards.

Staff Turnover has been added as a risk on the Strategic Risk Register.

Financial Issues.

The Committee was told that all teaching staff are now seen to be working to 100% of their contracted hours.

As part of the cost savings being sought a number of staff have enquired about reducing their working hours or to take voluntary severance. These will both be considered by the SLT on 11th March 2015.

Employment Relations

It was noted that the Trade Unions had not as yet lodged a claim for a pay award to staff.

Thought was being given to reducing the number and thereby the costs, of HR back-office staff and that this may be achieved by entering into a 'shared' arrangement with SEC.

Mike Tadman confirmed that the contract held by a past member of staff did not prevent that ex-member of staff taking employment with a College partner organisation.

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

513. To Receive the Management Accounts to 31st January 2015

The Committee received the Management accounts and were informed that the forecast outturn for the year continued to be a small surplus.

Members noted the main variances in Income & Expenditure.

The salary budget was currently showing an underspend of approximately £170,000 due largely to vacancies not being filled.

An overdraft facility existed with Lloyds bank for the period 1st Feb to 30th April 2015 but as yet this had not been used.. It was possible that the facility will need to be drawn on by the end of March before finances get back on track by end of April 2015.

The Committee was told of the current loan arrangements that are in place and that the planned realigning of the loans will improve the College cash-flow position.

There has been unplanned expenditure on the College buildings that had seen an overspend on the Estates budget.

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

514. To Receive the College Financial Recovery Plan.

The Recovery Plan had been considered in detail at the Board development day on 27th February 2015.

A 'Notice to Improve' is expected to be received from the SFA in the next week.

Whilst funding from EFA had been notified to be approximately at the same level as last year Governors noted that there was to be a 24% reduction in SFA funding.

Members were told that the College total income during the next 5 years is unlikely to exceed the current levels.

Using the Financial Recovery Plan as a starting point an Action Plan will now be produced that will set out how the management team intend to address the situation and return the College to making at least a small surplus each year.

The Recovery Plan is showing a break-even outturn for 2014-15 with a surplus of £300,000 in each of the 4 subsequent years.

Governors accepted that the sale of Beacon House was key to the success of the 'Plan' and that this disposal should be pursued as soon as practicable. A discussion ensued about the savings possible if the loss making areas of College provision were improved so that they made a reasonable contribution to overheads.

It was **Recommended** that the Board of Governors;

- (i) Approves the Financial Recovery Plan.
- (ii) Approves the sale of Beacon House and supports the SLT in progressing this as a matter of urgency.
- (iii) Supports the SLT decision to relocate Hair & Beauty Therapy provision to either Moulsham Street or Princes Road.
- (iv) Approves the refinancing of College loans to provide capital repayment Reductions and lower interest rate payment.
- (v) Supports the SLT in reviewing the contribution made by all areas of activity in the College.

515. Work Based Learning Report

As part of the financial recovery process the SLT has established a 'Futures Group' which is looking at the contributions to overheads made by all areas of provision in the College. This is being considered on the basis of both student numbers and the total income earned.

The Committee members looked at the programmes in the College that were not making the expected contribution and noted the review of these that is being undertaken by the SLT.

It was **Resolved** that the Committee supports the action by SLT in reviewing Work Based Learning to ensure an appropriate contribution to overheads is made by each area of this provision.

516. Any Other Business

- (i) A letter has been received from the SFA to inform the College that its' finances are judged to be 'inadequate'. This will be followed by a 'Notice to Improve' from the FE Commissioner.
- (ii) A letter has been received from Essex CC, regarding Safeguarding, and that the Whistleblowing Procedure now should include reference to the Local Authority Designated Officer. The Committee approved the addition/change to the procedure.

517. Date of Next Meeting

The next meeting will take place on 26th June 2015

Chair

Date