CENTRAL SUSSEX CORPORATION

Minutes of a meeting of the Resources Committee held at 5.00 pm on Thursday, 3rd July 2008

Membership: Patrick Berry (Chair)*, Paul Harding, Tony Hyams-Parish, Gill Marshman* and Sylvia Meli*.

Also present: John Peel, Russell Strutt, Suri Araniyasundaran, and Nick Whitley (Clerk) and for part of the meeting, Jenny Poore.

*** = present**

APOLOGIES FOR ABSENCE

1. Apologies for absence were received from Paul Harding and Tony Hyams-Parish.

2. The Clerk advised the meeting that Derrick Johnson had resigned from the Committee; as he had now moved to the outskirts of Chichester, he no longer found it possible to give the College the attention and time he considered proper to discharge his responsibilities as a Committee Member.

DECLARATION OF INTERESTS

3. There were no interests to declare.

MINUTES OF THE MEETING OF 8TH MAY 2008

4. The minutes were signed as a correct record.

MATTERS ARISING

5. **Special Meeting/52:** It was confirmed that the Corporation had agreed to convene a Special Corporation Meeting on the 25th September and that it had not been considered necessary to hold a Special Resources Committee beforehand. The reason for the additional meeting was to consider further the budgetary implications of the LSC funding for 2008/2009, which so far was showing a further cut of 2% (in addition to the expected reductions in funding). It would take six to eight weeks to work through possible options and avoid damaging the long term health of the organisation.

6. **Paper on the potential conflicts affecting recruitment between Work Based Learning (Apprenticeships) and Train to Gain (T2G) programmes/4:** The Principal took the meeting through the paper that had been circulated in advance of the meeting. He drew attention to the fact that the T2G programme was based on the assumption that an adult studying for a first full Level 2 programme had already attained at least 75% of the requirements for the award and would be capable of achieving the full qualification within six months. By contrast, an apprenticeship programme assumed no prior attainment at that level.

7. Employers had been attracted by the fact that a first Level 2 T2G programme was free, unlike an apprenticeship programme. It had taken some time and an increased sales force, to explain the constraints of the T2G programme and the relative merits of apprenticeships; however this issue was now being addressed effectively and there was a much improved take-up on the Work Based Learning contract.

8. The Government had recently relaxed some of the requirements governing free Level 2 provision within the T2G scheme, provided it fell within one of the priority sectors.

9. The paper was noted.

10. The Committee asked what impact the downturn in the economy was likely to have on the College. It was considered too early to predict; however to date there appeared to be a reduction in Higher National Diploma and Certificate (HND and HNC) applications.

HUMAN RESOURCES REPORT

11. The Principal introduced the Action Plan for Managing Stress within Central Sussex College. He pointed out that, since the last report to the Committee, the Consultants had met with staff in a number of staff forums/focus groups. One of the main points to come out from these was a need to review systems and processes throughout the College, and to explain and train staff in their use.

12. There was also concern about (low level) student misbehaviour. In a week's time a whole College INSET day was being used to address setting clear expectations; ensuring staff challenged and did not ignore poor behaviour; providing clarity and understanding of the disciplinary procedure; and delivering training in managing challenging behaviour from students. The Executive was looking for the College to have a fresh start in September; this would be built into the student induction (and also covered for new staff in their induction programmes).

13. It was planned to re-run the Stress Survey (or equivalent) in 2009/2010.

14. One of the causes of pressure on staff was a high level of cover for sickness; Faculty Directors had been given the authority to engage staff on a temporary basis to avoid relying on existing staff working overtime.

15. It was suggested that some of the long-term sickness costs might be related to the time-scale and timing of treatment dictated by NHS resources and waiting lists. This might be alleviated by providing staff with private health insurance, either for all, or for certain categories of staff. Such insurance had proved cost effective within private industry.

16. **It was agreed that a full review and evaluation be carried out and reported to a future Committee meeting, taking into account the need to have a consistent policy across the organisation.**

17. Jenny Poore then took the meeting through the HR Report. She pointed out that this was the time of year when staff, traditionally considered changing job and the increase in staff turnover was to be expected. Additionally, "Adult Education" staff at the East Grinstead Centre had been consulted over changes to the contractual requirements of teachers, in particular the requirement that all teaching staff have (or gain) appropriate teaching qualifications. A new grade of staff, a Facilitator for leisure activities, had been introduced, which would not require a teaching qualification. Some of the existing members of staff had decided to leave rather than continue in one or other of these roles.

18. Jenny Poore confirmed that exit interviews were offered to all staff who resigned; Committee Members expressed mixed views about the value of such interviews.

19. It was noted that the staff absence pattern had shifted towards a greater proportion of short-term absences; Jenny Poore pointed out, however, that subsequent to the report, the June figures indicated a rise in long-term absences.

20. **It was agreed that a note should be added to Table 11 concerning the effects of the conversion of short-term to long-term absence for anyone who remained absent for more than 21 days.**

21. It was noted that it was planned to expand the HR report during the autumn term.

EQUALITY & DIVERSITY

22. Jenny Poore laid round a progress report in respect of Equality & Diversity issues from a staff perspective. She took the meeting through the report. She explained that the Equality & Diversity Officer, Judith Field, divided her time between staff and learner/curriculum issues. An example of the latter was the identification of poor success rates among male Pakistani learners aged 19-25. This had been followed up with a telephone survey that revealed that the individuals concerned did not consider that the College had let them down; they did feel that the College had nothing more to offer them.

23. A whole suite of family-friendly policies had been negotiated with the Unions and the Performance and Development Review procedures (the new appraisal system) had been designed with equality and diversity in mind.

24. The paper made reference to the possible introduction of a salary sacrifice scheme; the Committee recommended that any such scheme should be subject to specialist tax advice.

25. It was noted that the introduction of a formal job evaluation scheme should ensure that gender equality of pay was addressed appropriately.

26. The relatively high progression of white staff compared to the Crawley population was raised; it was suggested that a more appropriate comparator should be the population mix within the Crawley and College travel to work area; this represented a significantly lower ethnic population than in Crawley itself.

27. **The report was received.**

PROGRESS REPORT ON REVISING EMPLOYMENT POLICIES AND PROCEDURES

28. Jenny Poore advised the meeting that it had been the intention since the merger to review and revise all the employment policies. A joint Policy Working Group had been set up with the Unions the previous July, to look at all the policies over time. This Group was chaired by the Employer Relations Manager, one of the members of the Human Resources (HR) team, and was attended by representatives of all five of the Unions that the College recognised. She herself had attended the majority of the meetings.

29. A new draft Disciplinary Policy had now been put in place and was close to final agreement. One of the key elements was for the authority to dismiss a member of staff to be extended from the Principal to other members of the Executive Directors, and for Faculty and Support Directors to hold disciplinary hearings if the outcome was not potentially a dismissal.

30. Where an Executive Director decided to dismiss a member of staff, the Principal would hear any appeal. If the Principal himself had been involved in the decision to dismiss a member of staff, it would be necessary to convene a Corporation Panel to hear any appeal, as at present.

31. It was intended that only those Managers who had attended mandatory training sessions on staff discipline would be permitted to carry out formal disciplinary hearings.

32. It was planned to conclude the procedural agreement with the Unions during the autumn term. In the meantime the existing procedures for disciplining staff would be maintained.

33. **The Committee received the report. While noting that the Unions were being consulted over the changes to employment practices and procedures it was agreed to recommend to the Corporation that the Audit Committee commission a desk review of the framework of policies by the Internal Auditors, to ensure that best practice was being followed.**

BUDGET 2008/2009 WITH 3 YEAR FINANCIAL FORECAST

34. The Principal introduced this item, focussing attention upon the targeted learner numbers. He explained that the targets for 2008/2009 had been established through a full review of the Faculty Business Plans; these had been tested, moderated where appropriate or necessary and checked for conformity to the three year growth plans. The Executive had been looking for growth in Train to Gain adult numbers and had challenged unrealistic expectations of growth in 16-18 year olds.

35. The Principal confirmed that, as far as possible, the likely effects of the current economic downturn had been taken into account. The three year educational case was of necessity complex, incorporating a demographic downturn of 16-18 year olds. He had been very pleased by the approach taken by all Directors in preparing their business plans and draft budgets.

36. One particular point he raised was that the forecast income from Train to Gain included the loss of the Management Fees that had been earned over the last two years as a result of leading the pan-Sussex consortium. The LSC was no longer interested in contracting with consortia.

37. The three year financial forecast was closely linked to the three year educational case and the proposed budget represented year 1 of the forecast.

MANAGEMENT ACCOUNTS 31ST MAY 2008 & FINANCIAL FORECAST

38. It was agreed that Suri Araniyasundaran should combine his more detailed review of the 3 Year Financial Forecast Commentary with an overview of the latest Management Accounts. Suri Araniyasundaran took the meeting through the figures for the current year, cross-referencing as appropriate to the proposed budget to identify the impact of the revised forecast. He drew attention to the fact that the forecast growth in 16-18 learner numbers of 4.4% (measured against the outturn for 2008/2009, not the target) would not be funded during 2008/2009, but was essential for the planned future growth of the College.

39. The figures before the Committee were provisional and based on a number of assumptions about the Learning & Skills Council (LSC) allocation of funding; £1.4m of this had not yet been confirmed. The risks and sensitivities were outlined in the paper and Suri Araniyasundaran took the meeting through them. He drew attention to the risks associated with the forecast Higher Education (HE) numbers; however he considered that any financial impact was more likely to affect future years than 2008/2009.

40. There were two main areas for future savings: increased group sizes and premises running costs. The Principal advised that the need to increase group sizes had been addressed within the Business Planning discussions and should start impacting in 2008/2009 costs. There would be no significant reduction in premises costs during 2008/2009, it would be 2009/2010 before the benefits of rationalising the College's campuses could be realised. Rental costs of all leases were forecast to continue until 2010/2011.

41. It was noted that the forecast budget included an allowance for pay awards of 2.5% in total. **It was agreed to recommend to the Corporation that, in the event that the Association of Colleges (AoC) recommend that Colleges pay more than the budgeted cost of 2.5%, he be asked to report the implications and options to the Corporation before reaching any decision on the level of the pay award to be given to Central Sussex college staff.**

42. He drew attention to the forecast value for Other Income, which had been set below the forecast outturn for 2007/2008. He explained that any speculative increase in income would attract an associated increase within the expenditure projections; he had therefore decided not to increase either figure.

43. Concern was raised about the impact of higher interest charges as bank rates rose; Suri Araniyasundaran advised that this would not affect the Income and Expenditure Account during the period covered by the Three Year Financial Forecast because the interest, which related to the financing of the construction phase of the College's capital development projects, would be capitalised. It would however, affect the College's cash flow. At present he was forecasting interest charges of £845k for Crawley; even with the probable rises in interest rates, the cost was unlikely to increase beyond £900k.

44. Suri Araniyasundaran advised the Committee that he had had to reduce the forecast surplus for the year, since the last meeting; his spot prediction currently was £70k surplus, lying within a range of £30k to £100k.

45. The forecast Balance Sheet excluded the planned new buildings; this would need to be reconsidered at the September Corporation meeting, when the Task & Finish Group had met to review the likely time-scales for the projects.

46. The key financial performance indicators were revised; it was noted that the cash cover figures for Actual and Budget had been transposed; the actual days in hand were 18, compared to a budgeted 4 days. The low levels of cash in hand forecast for July 2008 and March 2009 were also noted.

47. **It was agreed to recommend to the Corporation that the proposed Budget and Three Year Financial Forecast be approved, recognising that it would need to be revised as information on the LSC allocation became available.**

48. **The report was received.**

REVIEW OF KEY PERFORMANCE INDICATORS

49. The Principal introduced the report. He reminded the Committee that, in future, the College would be graded on the basis of a "balanced score card" under the Framework for Excellence.

50. It was noted that the targets shown within the circulated paper were internal stretch targets, rather than the targets agreed with the LSC.

51. It was suggested that, when the Corporation was presented with reports of this nature, it would be helpful to adopt a "traffic-light system" to indicate any areas of concern or that required action.

52. **It was agreed that, in future, the Committee would be presented with both the LSC and the internal stretch targets.**

53. **The report was noted.**

54. **The Committee concurred with the recommendation for the Curriculum, Quality & Standards Committee to the Corporation that that Committee and the Resources Committee continue to monitor separately those performance measures that were relevant to each Committee and which informed the Framework for Excellence, but that the Corporation consider how best to monitor the overall "balanced score card" on a regular basis**.

REVIEW OF PROGRESS AGAINST 10 YEAR FINANCIAL PLAN

55. Suri Araniyasundaran laid round copies of a table identifying progress against the 10 Year Financial Plan and took the meeting through the key measures.

56. It was noted with concern that the College was unlikely to achieve its targeted cash cover until at least two years after the completion of the property masterplans.

57. It was also noted with concern that the required headroom was not being achieved.

CAPITAL AND SPECIAL PROJECTS

58. Suri Araniyasundaran drew attention to the reduction in sale price for the Three Bridges site that was required by the purchasers.

60. **The report was received.**

FRANCHISE PROGRAMME

61. It was noted that the Brighton Institute of Modern Music (BIMM) was overseeing the introduction of its curriculum at the Haywards Heath campus, where provision would be offered directly by the College, as well as through the franchise in Brighton. The Principal acknowledged that this could have an impact on recruitment to BIMM; however at Haywards Heath it would be offered on a part-time basis in conjunction with other qualifications, whereas at Brighton BIMM offered it as a full-time programme.

62. **It was agreed to recommend to the Corporation that a franchise programme with BIMM be approved for 2008/2009 on a similar basis to 2007/2008 and that authority be given to the College Secretary to sign the agreements when negotiations have been concluded.**

AoC PAY DISCUSSIONS

63. **The report was noted.**

DISABILITY STATEMENT

64. **It was agreed to recommend the updated Disability Statement to the Corporation for approval.**

ANY OTHER BUSINESS

There being no other business, the meeting closed at 19.27 p.m.