

## CENTRAL SUSSEX CORPORATION

### Minutes of a meeting of the Resources Committee held at 5.00 pm on Thursday, 8<sup>th</sup> May 2008

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

**Also present:** Russell Strutt, Suri Araniyasundaran, Jenny Poore, Helen Tracey and Nick Whitley (Clerk) and, for part of the meeting, Sarah Radley.

\* = present

#### APOLOGIES FOR ABSENCE

1. Apologies for absence were received from Derrick Johnson and Gill Marshman.

#### DECLARATION OF INTERESTS

2. There were no interests to declare.

#### MINUTES OF THE MEETING OF 20<sup>TH</sup> MARCH 2008

3. After checking with those who had been present at the meeting of the 20<sup>th</sup> March, the Chair signed the minutes as a correct record.

#### MATTERS ARISING

4. **Work Based Learning (WBL) and Train to Gain/20:** The Committee questioned whether there was any negative link between the take up of WBL and that of Train to Gain; **it was agreed that a paper considering this issue should be prepared for the next meeting of the Committee.**
5. **Area Uplift Payment of £275k for 2006/2007/22:** It was confirmed that the LSC had now paid the outstanding debt.
6. **Claim for capital development costs (affecting cash balances)/24:** Suri Araniyasundaran advised that he had not yet submitted a claim, as payment for a significant portion of the consultants' fees had been made only recently; the LSC would not make any reimbursement in advance of actual payment. He wished to include as much of the preparatory work as possible before claiming.
7. **Review of risk from changes to Train to Gain consortium arrangements/39:** The Risk Assurance Group had not yet met; a meeting would be convened in June.
8. **Model of business planning cycle Powerpoint/45:** It was noted that the presentation had not been circulated with the Minutes; the Clerk confirmed it would be sent out.

#### OVERVIEW OF THE MARKETING STRATEGY AND BUSINESS PLAN

9. Sarah Radley gave a Powerpoint presentation, a copy of which is appended to the minutes. She explained that she would focus predominantly on the main scope of the Department and its main activities; she had included a lot more background detail in the presentation which she did not propose to address.

10. The presentation covered all of the marketing functions of the College, not all of which were directly managed or carried out by the Marketing Department.
11. She clarified that the initials "M&C" stood for Marketing and Communications Department and "KAM" for Key Account Management.
12. The Marketing Department worked very closely with the Employer Services Department, which also carried out a number of marketing functions (such as tele-sales). The Skills Advisors in that Department were in daily contact with employers and it would not be feasible for the Marketing Department to take on all those requirements. Where specific support was requested, Marketing assisted the Department.
13. Sarah Radley was asked whether the College had established an overall approach to marketing, which everyone followed (e.g. with respect to tele-sales). She responded that the Marketing Strategy did not include any specific targets; these were set during the business planning process, when Marketing would work through the requirements with the Departments concerned.
14. Sarah Radley advised that, overall the College's web-site gave the best results for all customer groups. She was looking to set a target for optimising web search results in the coming year; to that end she was planning for the College web-site to be completely re-designed.
15. As far as 14-19 recruitment was concerned, both the young person and their parents played important roles in selecting the College; however from age 16 on the young person tended to be the main selector. This could be for complex and dynamic reasons; a young person's initial choice could change as a result of external factors totally outside the control of the College (such as where their friends chose to go).
16. The Marketing Department monitored applications for the coming academic year closely, from January on. If there appeared to be a general drop in applications, action would be taken across the board; however if there were a dip in a specific course or range of courses, the reasons for this would be investigated to establish what the real demand for the course was and whether it would be cost effective to promote that programme.
17. Sarah Radley drew attention to the May Open Evenings, which were targeted at adult learners. The attendance at these Open Evenings had been dropping latterly; this appeared to be due to a combination of improvements in the way the College dealt with applications from adults and a more general decline among adult learners within the core Further Education programmes in favour of Train to Gain and other initiatives.
18. On-line enrolment for short courses had increased significantly and was close to overtaking paper based applications for similar programmes.
19. Sarah Radley confirmed that the marketing focus was shifting from targeting adult learners towards 14-19 year olds (and their parents) and employers.
20. Jenny Poore drew attention to the large volume of work carried out by the Department on internal communications; this had increased significantly and was proving very effective.
21. The Committee was very impressed by the large range of activity undertaken by the Department and by the quality of its work.
22. It was suggested that there could be a more pro-active approach to Public Relations and Sarah Radley acknowledged that this was an area for development. There were, however, some constraints within which she and the Department were working; these included certain unwritten agreements about not running campaigns within other Colleges' catchment areas and the fact that the newspapers tended not to be very interested in good news stories from Colleges.

23. The Committee thanked Sarah Radley and noted her presentation.

### **HUMAN RESOURCES (HR) REPORT**

24. Jenny Poore took the meeting through the report.

25. She drew particular attention to the increase in long term staff absences. Although she had been able to report a significant reduction in long term absences earlier in the year, she now had to report the number of staff on long-term sick leave had risen again. In general this was as a result of bad backs, knees, limbs or other planned treatments; these were different individuals from those previously on long term sick leave. The majority of cases involved planned operations and it was generally expected that the staff concerned would return to work in due course.

26. Jenny Poore clarified the terms of the College's sick pay scheme, which had been originally inherited from West Sussex County Council. The full entitlement was 6 months full pay and 6 months half pay; during the first five years service there was a reduced entitlement (that built up by degrees over the five years). The precise operation of the sick pay scheme needed to be reviewed and revised, as in certain circumstances individuals could receive an over generous entitlement; the Unions would need to be consulted over any proposed changes to the operation of the scheme.

27. Jenny Poore was asked how the College compared nationally with other Colleges in the sector. She explained that the Association of Colleges (AoC) carried out an annual survey of its member Colleges, although not all members responded. Discussions with colleagues from other Colleges suggested that, absences were in general not monitored closely and the related records were not maintained robustly. The sector average was therefore not a particularly sound benchmark. Central Sussex College appeared to be broadly in line with sector norms; however Colleges that presented a better record may not necessarily be reporting a true picture.

28. **The report was received.**

### **STRESS SURVEY**

29. The Principal gave a verbal report of progress. He reminded the meeting that he had previously given them an overview of the Stress Survey, carried out on behalf of the College by external consultants and with advice from the Health & Safety Executive (HSE). The HSE had recommended that forums be arranged with staff to enable the responses to the survey to be explored in more depth and this had been undertaken by the external consultants over the last two days. The exercise had involved some 50-60 members of staff in different groupings. The report was expected within two to three working weeks. Generally the demands of the role or job were identified as causing staff most concern. The College level Stress Risk Assessment and Action Plan had been drafted; it would be finalised and published when the results of the focus groups were available. Staff had proved very constructive in their approach to the survey; one fear had been that they might use it to attack middle management, but this had not proved the case. Generally staff had given positive responses to the questions about support from managers.

30. Initial feedback from the staff forums had been that these had also been used in a constructive way, although staff had not held back where they considered there was a need for improvement.

31. The Principal advised the meeting that staff were expressing the need for more time to do their job in, rather than wanting additional members of staff to help. There was a concern that there was not enough peer support particularly in respect of support staff not feeling supported by teaching staff to enable them to carry out their support role and in respect of teaching staff feeling that the support processes were not helpful.

32. It was noted that the Stress Management Steering Group included several Union members who were passionate about the stress agenda. These individuals had been positive about the College was doing.

33. **The report was noted.**

### **MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2008 AND FINANCIAL FORECAST**

34. Helen Tracey took the meeting through the report and the forecast. She explained that the results to date for tuition fees and charges (which showed an overall negative variance of £172k) varied across the spread of the Faculties.

35. It was noted that, yet again there was a negative variance on catering; the question raised was whether its targets and profiling were wrong. In response it was stated that forecasting the catering budget was extremely difficult, as it was affected by many variables outside the control of the College; however it was kept under constant review and savings were made if income was down. It was recognised that the College catering generally broke even.

36. The Committee then reviewed the Balance Sheet. Helen Tracey pointed out that the Current Liabilities were particularly high because, as well as financing the development of the Crawley Masterplan and Haywards heath Phase 3, the College was also awaiting the payment of capital support grants by the Learning and Skills Council (LSC) for Phases 1 and 2 of the Haywards Heath development. This was largely because of the LSC financial year; payment was expected in April.

37. The meeting reviewed the key financial performance indicators. It was noted that the net working capital percentage was negative because of the short term loans taken out to support the Haywards heath campus development.

38. The Principal advised that the staff costs as a percentage of net income were better than the sector norm, which was approximately 67%.

39. It was noted that the forecast surplus of £110k represented approximately ½% headroom, as against the desired 1% for the current year. It was nevertheless a significant improvement over the original budgeted figure.

40. Suri Aranyasundaran confirmed that £295k had been included in the cash flow forecast to enable design work on the Crawley Masterplan to continue over the period May to July; however no amount had been included for the proposed summer works for the Haywards Heath development.

41. Suri Aranyasundaran advised the meeting that, as in previous years, the one aspect of the forecast that represented a significant risk, was that of forecast achievements.

42. Paul Harding advised the meeting that he had attended a conference about apprenticeships in London and had met staff there from Croydon College. He had noted that they had raised the same issues that the Corporation was hearing about from the Executive. It appeared that London had the lowest take-up of apprenticeships of any region in the country.

43. **The report was received.**

### **PLANNING AND FUNDING**

44. The Principal laid round copies of a letter from Mark Haysom, the Chief Executive of the LSC. He explained that these gave some ground for concern about the funding environment for the coming year. These represented unprecedented changes in the

funding environment and methodology and introduced major cuts in funding in a variety of ways.

45. The Principal explained that a new method of counting learners, Standard Learner Numbers (SLN), had been introduced in place of Full Time Equivalent (FTE). The College had been good at managing FTEs; SLNs would appear to disadvantage the College. Hitherto the LSC had increased the funding for 16-19 year olds to take account of planned growth. This was now ceasing and growth would be funded by consolidating it within the baseline funding from the following year. The three year financial forecast had originally built in assumed growth, taking account of the new buildings etc. There would now be a one year lag between growth being achieved and funding being incorporated into the allocation the following year.
46. The announced delays in the LSC's issuing funding allocations would have a significant impact on the budget setting process.
47. As far as adult funding was concerned, the Executive had been told that, because the College had delivered the LSC priorities to its adult learner population it would receive a positive settlement. The expected cut for adult core funding had therefore been 3%; there was now concern that the reduction may be more significant.
48. It would be very difficult to deliver any headroom within the budget for 2008/2009.
49. The Executive would need to carry on working on the budget during July, August and September. Although it was necessary for the Corporation to determine a budget for the year at its meeting in July, it would be advisable to review it early in the new term. The Principal recommended that a Special Resources Committee be convened in September to review and revise that budget, to report to a Special Corporation meeting for a decision at the end of September or early October.
50. By 2009/2010 it should be possible to build in the planned headroom back into the budget, particularly with the proposed closure of the Horsham campus and the proceeds from the sale of Three Bridges. Formal consultation with the Unions about the closure of Horsham had now begun.
51. Notwithstanding the short term financial difficulties, the Principal stressed the importance of working through the implications of any remedial actions to ensure that the long term health of the College was not damaged.
52. **It was agreed to recommend that a Special Resources Committee and a Special Corporation meeting be convened in September/October to review and revise the 2008/2009 budget and the associated three year financial forecast. It was stressed that the impact on future headroom must be reviewed also.**

#### **CAPITAL AND SPECIAL PROJECTS**

53. **The report was received.**

#### **ANY OTHER BUSINESS**

There being no other business, the meeting closed at 7.03 p.m.