

CENTRAL SUSSEX CORPORATION

**Minutes of a meeting of the Resources Committee held at 5.00 pm
on Monday, 29th September 2008**

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

Also present: John Peel, Russell Strutt, Suri Araniyasundaran, Sue Dare, Jenny Poore, Helen Tracey and Nick Whitley (Clerk)

* = present

APOLOGIES FOR ABSENCE

1. Apologies for lateness were received from Paul Harding.

DECLARATION OF INTERESTS

2. There were no interests to declare.

MINUTES OF THE MEETING OF 3rd July 2008

3. The minutes were signed as a correct record.

MATTERS ARISING

4. **Impact of economic downturn/10:** It was noted that this question had been addressed at the Special Corporation meeting. Essentially it was likely to have a mixed effect, with some positive and negative aspects.
5. **INSET day-student conduct/12:** Sue Dare advised that the INSET day had gone well and this was confirmed by Gill Marshman. The programme had been rolled out to all staff, based around the new Student Code of Conduct. It had set the tone for the new term that the low level, irritating misbehaviour would be addressed from the start. Jenny Poore quoted some of the feedback from the evaluation forms: generally they had been positive, stating that the day had been well organised and helpful. As was to be expected, there was some negative feedback as well; generally this was from staff wanting more detailed guidance or training. The general view had been that it was good to work together and that there was appreciation or a shared understanding and clarity about the standards to be expected from students.
6. As far as this year's student intake was concerned, it was too early to make a valid judgement as learners tended to be on their best behaviour at first; however the College Leadership Team was carrying out ID checks every morning and the tutorial programme had been revised to address appropriate conduct.
7. **Health Insurance/15:** Jenny Poore drew attention to the comment in the HR Report concerning one possible supplier of Health Insurance and the associated costs. Suri Araniyasundaran confirmed that this had not been included in the budget. It was suggested that, if the cost benefit of Health Insurance was neutral or positive, it need not be a budgetary issue.

Russell Strutt and Paul Harding joined the meeting at 5.13 p.m.

8. It was confirmed that the scheme under review, which had been developed for the public sector, would permit any number of dependants to be added if the staff member paid for them.
9. **It was agreed that the proposition should be considered by the Committee later in the year, in time for it to be considered for inclusion in the 2009/2010 budget.**
10. **Revision of disciplinary policy/28-32:** Jenny Poore advised that consultation with the Unions was continuing, but that it was taking longer than she had hoped.
11. **Revision of disciplinary policy/33:** It was noted that the Audit Committee had rejected the proposed desk review, on the grounds that the College had an expert HR Director. The Chair of the Committee asked that it be clearly understood that the Resources Committee had every confidence in the Executive Director HR & Communications; the proposed review had been intended to be supportive of her.
12. **Interest Charges/43:** Suri Araniyasundaran confirmed that the interest rates for the current mortgages were fixed.

ASSOCIATION OF COLLEGES (AOC) PAY NEGOTIATIONS

13. The Principal advised that the latest proposal from the AoC was for a pay rise that would average 2.7% over the year. The Unions were due to report back with their response on the 5th October, but current indications were that it would not be accepted. The pay rise allowed for in the budget was 2.5% (staged as last year on the basis of a 2% rise in August followed by a further 1% rise in February). The cost savings measures being considered at present were designed to address the short-fall in funding, not to pay for further increases in pay; any increase beyond the budgeted amount was not affordable.
14. It was confirmed that the staff had been paid the 2% increase in the August payroll, to ensure they did not suffer as a result of protracted negotiations. A number of other Colleges had not paid any increase, either because there was no agreement or because they could not afford any increase at all.

HUMAN RESOURCES REPORT

15. Jenny Poore introduced this item, by saying that she proposed to address it in three parts: first the main report, then a summary of the grievances and formal disciplinary measures taken, followed by an update on Equality & Diversity (E&D). She then took the meeting through the main report.
16. The staff was traditionally divided into two categories: academic and support; however this masked the fact that many of those who were classed as support staff were in fact directly involved with students and their learning and assessment. The increase shown in numbers of support staff did not represent a strengthening of administration at the expense of teaching and learning, but was the result of changes in curriculum delivery, particularly for adults, resulting in a need for more assessors rather than lecturers. The proportion of the staff not directly involved in teaching and learning was approximately 28%.
17. Jenny Poore drew attention to the peak turnover of staff in July and explained that 24 fixed term East Grinstead lecturing contracts had been removed from the number of leavers as their inclusion distorted the data and gave a misleading impression. She also drew attention to the high proportion of long term sickness showing for August and pointed out that, because the majority of teaching staff were away for the summer vacation and many other staff were taking leave at that time, there were fewer opportunities for short-term sickness to occur.

18. It was confirmed that, because the individuals on long-term sickness were known to the Personnel Department, their absence was simple to categorise correctly for statistical purposes.
19. Jenny Poore then took the meeting through the departmental absence records.
20. The Committee asked whether the College's sickness absence of 3.6% was good or bad; Jenny Poore advised that it was good in the context of the public sector, but that it was difficult to obtain comparable statistics from other Colleges for benchmarking.
21. It was noted that, notwithstanding the harmonisation exercise, Haywards Heath staff were subject to different terms and conditions. It was explained that existing members of teaching staff at the Haywards Heath campus had been appointed on Sixth Form College terms and conditions, which were based on those for schools. A move to the new Central Sussex conditions would give them less holiday, less opportunity for career progression and reduced professional performance entitlement. The Haywards Heath support staff, had in the main, moved to the new contract.
22. The Chair of the Corporation commented that the Committee and Corporation Members were now receiving reliable information on staff absences and sickness, which enabled them to question and test Management in a way that, in years gone by they could not do. However, he would like to be able to benchmark Central Sussex College against other Colleges and possibly in the wider context of the public sector. Jenny Poore confirmed that she would attempt to obtain comparative figures for benchmarking purposes.
23. The Chair of the Committee stated that the overall impression gained by the Committee was that absence management procedures had been tightened significantly and effectively over the last two years.
24. It was noted that the total number of staff was reducing whereas the Full Time Equivalent (FTE) was rising; was this the result of a deliberate policy shift between part-time and full-time staff? It was stated that it was chance and not because of a policy initiative.
25. A table summarising the number of grievances and disciplinaries was laid round; Jenny Poore advised the meeting that formal grievances had dropped from five in the previous year and that Employment Tribunal cases had dropped from 2 in the previous year. She confirmed that the four disciplinary hearings were for four different individuals, and that the four entries under the heading "resigned before disciplinary enacted" had been qualitatively different from a recent instance of dismissal for gross misconduct, where the College had refused to accept the individual's resignation when proffered.
26. An update on Equality & Diversity issues for staff was circulated and Jenny Poore took the meeting through it. She stressed that there had been considerable changes to the legislation over the last five years; the likelihood was that the Government would introduce legislation to draw together all the different strands and require a single equality scheme to be developed.
27. She responded to a question about how ex-offenders were dealt with by explaining that it depended upon the nature of the crime for which they had been sentenced. The College would look to Job Centre Plus for help from its support system. Employing ex-offenders could be difficult for the College because of its need to balance its "duty of care" to the learners. She confirmed that on occasion the College would also liaise with the Probation Service.
28. Jenny Poore confirmed that the College had a compulsory retirement age of 65, although it would consider requests from employees to continue working after that age on a case by case basis, taking into account the business needs of the College. Employees over the age of 65 continued to have the right to belong to the relevant pension scheme until they reached the age of 75. By agreement with the Unions, the policy was not applied to

anyone who was over 65 when it was first introduced: as a point of information the oldest current member of staff was 79.

29. Jenny Poore advised the meeting that the staff records held information about those who had identified themselves as having a disability; however it was proposed to carry out a disability audit to ensure it was as comprehensive and accurate as feasible.
30. **It was agreed to provide to the next meeting of the Committee further analysis of ethnicity and the levels at which black and minority ethnic staff were employed.**
31. Jenny Poore also drew attention to the Diversity Week planned for the 1st to 5th December (an outline of which had been given to Corporation Members); this was gaining a great deal of support from staff and students.
32. It was noted that the Job Evaluation Project was still in progress: was it giving rise to grade drift? Jenny Poore advised that it had not done so yet, but there were still a significant number of positions to be evaluated. Some jobs and pay were likely to rise and there were others that would be down-graded. The individuals in the latter case would be given three years pay protection before being paid in accordance with their revised substantive grading.
33. **The report was received.**

MANAGEMENT ACCOUNTS FOR THE MONTH ENDED 31ST AUGUST 2008 AND FORECAST OUTTURN FOR 2007/2008

34. It was noted that, for the first time, the tuition fees and charges were above budget; however it was recognised that it was too early to draw any conclusion from this. It was considered to be “timing”.
35. The deterioration in the cash flow forecast was noted; it was probable that the overdraft facility would be invoked and would need extending for a further year.
36. **The Management Accounts for the month of August were noted.**
37. The Clerk laid round copies of the powerpoint commentary on the forecast outturn for 2007/2008, together with the draft Income & Expenditure account. Suri Araniyasundaran took the meeting through the presentation, addressing the forecast line by line.
38. He drew particular attention to the College's success with the Work Based Learning (WBL) contract; starts were 10% above the target agreed with the LSC. Additional expenditure had been incurred (representing some 60% of the additional income).
39. The reduction in fees and charges was attributable to two main causes:- fewer fee-paying students for ESOL (English for Speakers of Other Languages) courses and the impact of increased fees on the demand for Adult and Community Learning (ACL) courses.
40. Suri Araniyasundaran clarified that the Train to Gain (T2G) performance was better than appeared at first sight; the College had earned 120% of its original contracted target starts. The LSC had subsequently agreed a higher stretch target and the College had achieved 95% of the stretch target. Because these additional starts came later during the year, there was a proportionately lower financial gain in the year.
41. Suri Araniyasundaran then took the meeting through an analysis of the additional pay costs. The heading structural costs included the movement of staff onto the Association of Colleges (AoC) pay scales, as well as the establishment of the new structure; the £80k harmonisation costs identified were primarily professional performance payments for teaching staff on the Haywards Heath campus.

42. He advised that it was difficult to provide an accurate evaluation of the cost of cover for long term illness; however the long-term sickness level fell within the range of 7-10 Full Time Equivalent (FTE) members of staff, at an additional cost of between £200k and £250k.
43. The Principal confirmed that every request to recruit a member of staff was scrutinised closely; a blanket freeze on recruitment could not be imposed without damaging the delivery of courses to students and thus the longer term health of the College.
44. Under the non-pay teaching core there was additional expenditure of some £200k for income (to the same value) that had been received on behalf of other bodies, primarily FESussex and Sussex Enterprise. Other non-pay costs that were rising included energy and interest costs. The external auditors would need to verify the amounts to be capitalised in respect of the property development costs.
45. Overall Suri Araniyasundaran conformed that he had taken a prudent view for the accounts.
46. It was noted that income and expenditure had each exceeded budget by £1.2m; did that mean that the extra business had been carried out at a nil margin? Suri Araniyasundaran responded by stressing that there had been £1m additional investment in pay, including setting the College up for future growth. The effect of this investment would start to be felt during the coming year. That said, it had to be acknowledged that the margins on demand-led work were very small. The College needed to find new ways to achieve economies of delivery.
47. The Committee stressed that the situation was not sustainable in the long term.
48. The Chair of the Committee pointed out that, given all the recent challenges faced by the College, the forecast outturn was extremely good. Everybody had done extremely well. However, this was not sustainable, especially since the funding rules and requirements by Government were changing so frequently.
49. The Principal advised the meeting that the Sussex Principals had asked him to write on their behalf to the Learning & Skills Council (LSC) in Sussex because of the lack of stability caused by the funding changes. Adult funding was now demand-led with no block grant, so any under recruitment would result in a clawback of funding during the year. However, the LSC's stance was that they had been telling Colleges for the last two years that they must gear themselves up for the demand-led environment, or they would find themselves in difficulties.
50. It was commented that the Government had made what it wanted very clear, but had been less clear about how it would pay for it.
51. **The report was noted.**

REVIEW OF PERFORMANCE INDICATORS, FRAMEWORK FOR EXCELLENCE

52. The Clerk laid round a report setting out the financial elements within the Framework for Excellence. Suri Araniyasundaran took the meeting through the paper. He drew attention to the two different formats for assessing the financial health of the College: categories A B or C (as used previously) and the new grades of Outstanding, Good, Satisfactory and Inadequate.
53. The Three Year Financial Forecast had been used to calculate the College's financial health; under the old measure, it continued to be B, but under the new measure it was only Satisfactory. This was primarily attributable to the level of borrowing, required because of the capital development programme.

54. Some of the elements of the Framework such as the Provider Level Unit Cost, could not yet be calculated, because the software required to calculate the necessary weightings was not yet available. An updated report would be provided to the next meeting.
55. **It was agreed that Suri Araniyasundaran should explain the methodology in more detail outside the meeting.**
56. **The report was received.**

PROVISION FOR BAD DEBTS

57. The report was considered.
58. **It was agreed that a charge of £8,000 be provided in the 2007/08 accounts, to retain the overall provision of £17,000.**

ENROLMENTS – PROGRESS REPORT

59. The Clerk laid round an updated report. Suri Araniyasundaran took the meeting through the report. The picture to date was very positive, with enrolments some 2% higher than the same time last year. The aim was to achieve growth in 16-18 year old learners to secure additional funding in the following year.
60. He confirmed that all learner number targets were looking very positive.
61. It was noted that Haywards Heath numbers were up by 14%; however this was at a time when there was an increase in the number of 16 year olds within the population. Suri Araniyasundaran commented that the demographic trend indicated that the current cohort should have grown by 8%: the growth at Haywards Heath was some 6% above that.
62. **The report was noted.**

CAPITAL AND SPECIAL PROJECTS INCLUDING SUMMER WORKS

63. It was noted that there had been a discussion about the capital developments at the Special Corporation meeting. Members of the Task & Finish Group were due to meet with LSC Officers to express their concerns. Colleges had been given reassurances by the Government that capital funds would continue to be made available to renew the Further Education infrastructure, but that these would now be spread over a longer period.
64. It was now probable that the time table for the Crawley Masterplan would slip further.
65. **The report was noted.**

REVIEW OF ACADEMIC YEAR 2007/2008 AND ASSESSMENT OF RESOURCES COMMITTEE PERFORMANCE

66. **It was agreed that Members of the Committee should send the Clerk their completed forms, so that he could prepare a composite report for the next meeting of the Committee.**

REVIEW OF THE TERMS OF REFERENCE FOR THE RESOURCES COMMITTEE

67. It was noted that the Clerk had been asked to change all Committee Terms of Reference, to add “or successor” on every occasion that the LSC was named.
68. **It was agreed that in 3.3.5 the words “the staff” should be inserted before “appraisal scheme”, for clarity.**
69. **It was agreed that a Task Group consisting of John Peel, Patrick Berry, Tony Hyams-Parish and the Clerk should be constituted to scrutinise the College’s Pension arrangements more closely and that Zoë Richardson be asked to join it, with the aim of widening the knowledge among Corporation Members.**

ANY OTHER BUSINESS

70. There being no other business, the meeting closed at 7.00p.m.