



**Accrington and Rossendale College
Corporation Board – Finance and Employment Committee**

**Minutes of the Meeting Held at
5.00pm on Tuesday 12th March 2013
in the Conference Room, Broad Oak Centre**

Confirmed

Present:

Mr B Stephenson	Chair of the Committee and Independent Member
Dr M Lee	Independent Member and Chair of Corporation Board
Mr R Grigorjevs	Independent Member
Mr D Ingham	Independent Member
Mr A Mohammed	Independent Member
Mrs L Mason	Principal
Mr D Rintoul	Staff Member

In Attendance:

Mrs S Collinge	Vice-Principal (Corporate Services)
Mrs C Jarvis	Director of Finance
Mrs L Higham	Director of People and Performance – For Item 52.5
Mr A Armiger	Clerk to the Corporation
Mrs N Tattersall	Minuting Clerk

Apologies were received from / other members not in attendance:

Dr S Bhatti	Independent Member
Mr P Trickett	Independent Member

	Date:
Draft Minutes Prepared by: NT	15-03-13
Draft Minutes approved by the Chair of the Committee:	15-03-13
Minutes Approved by the Committee:	25-06-13

.....*Brian Stephenson*.....
Chair

52.1 Apologies for Absence

There were no apologies received for the meeting but Dr Bhatti and Mr Trickett were absent.

The Chair welcomed members to the meeting.

52.2 Declaration of Interest

There were no declarations of interest.

52.3 Minutes of the Meeting held on 27th November 2012

The Finance and Employment Committee members approved the Minutes of the Finance and Employment Committee Meeting held on 27th November 2012 as a true and accurate record of the meeting. Mrs Collinge advised that there was an additional “to” in Resolution 446 which would be deleted.

455 RESOLVED i) To approve the minutes of the meeting held on 27th November 2012 as a true and accurate record. Mrs Tattersall to arrange for the additional “to” to be removed from Resolution 446

52.4 Matters Arising (not otherwise on agenda)

The Chair advised that the Clerk had prepared his Resolutions with Actions Required report and that all actions had been undertaken.

Resolution 446 – ii) that the Director of People and Performance will update members at the next meeting in relation to the Staffing Teaching Hour; and ii) that the Director of People and Performance will review the options available in order for staff to be able to inform the College about their “outside interests”. **Both these items are covered within Item 52.5 of the Agenda.**

Resolution 447 – ii) the Vice Principal – Quality & Standards and the Finance Director would undertake to look at ways of identifying which students require support. **The Finance Director advised that the College is assured that students eligible for learner support are accessing their entitlement.**

- **All looked after children/care leavers are contacted individually to ensure that they are accessing their entitlement**
- **The criteria for accessing learner support funds is distributed to all students in the “student handbook” and explained again in tutorials**
- **All learners receive one to one interviews to discuss and monitor their individual learning plans. These meetings include discussion on pastoral support issues, including learner support funds. There are no students that have refused to take up their entitlement as a result of personal pride or a perceived stigma from others**
- **The College holds a central spread sheet which identifies, logs and monitors any learner at risk of dropping out of their course. Risks are traffic light colour coded. The profile and personal needs of those colour coded red are used to check that each individual is receiving appropriate support. This includes any financial entitlement**
- **The take up to free breakfasts is high from all students**

Resolution 449 – to recommend the Financial Statements for the year ending 31st July 2012 to the Corporation Board for approval. ***The Clerk to the Corporation advised that the Financial Statements were recommended to the Corporation Board and approved.***

Resolution 453 – to recommend to the Corporation Board that the HE Fees for 2013/14 to be set at £5,950 for full time courses and £2,975 for part time courses. ***The Clerk to the Corporation confirmed that the Corporation Board had approved the HE Fees for 2013/14 as recommended by the Finance & Employment Committee.***

Resolution 454 – i) that the College will move ahead with planning permission for the Sports Hall and update members at the March 2013 meeting in terms of funding options before members make a recommendation to the Corporation Board; and ii) that the College will undertake work in relation to the access road to Hameldon as part of the approved College Property Strategy. ***The Clerk to the Corporation advised that the Vice Principal – Corporate Services will update members at Item 52.11 on the Agenda.***

456 RESOLVED To note the report

Mr Mohammed and Mr Grigorjevs joined the meeting.

A HR and Related Items

52.5 HR Strategy Monitoring and HR Update

The Director of People & Performance presented her annual HR report and updated members on the following:

Teaching Hours

Following discussions at the end of the last academic year and formal consultation with UCU, agreement was finally reached prior to Christmas with regard to the College's proposal to increase the contractual number of teaching hours for academic staff by one hour per week. Initially this request was rejected by UCU, and in response to this, the College carried out further direct consultation and information sharing with staff directly affected. This direct consultation was undertaken by the Interim Principal, the Vice Principal – Curriculum and the Director of People and Performance and feedback from staff and managers was very positive. The final meeting with UCU was more productive and resulted in UCU agreeing to:

- Increased hour becoming effective after the Christmas break;
- Impact assessment to be undertaken in Spring Term 2014
- Assurance no attempt to increase teaching hours further during 2013/14
- Assurance that for the remainder of the academic year, no sanctions will be taken against staff who are unable to incorporate the additional teaching hour into the timetable
- A one off payment of £200 (gross and pro rata for part time staff) being made to those affected by the changes.

Mrs Higham advised that these changes were accepted by members and communicated to staff prior to the Christmas break. The one off payment was made in December salaries out of the

budget allocated for the 2012/13 pay award, at a cost of just over £17k. From 1st January 2013, additional capacity for our existing staff to deliver an additional 2080 teaching hours has been made which will save against the part time hours budget. The Chair noted that it was pleasing that the situation was resolved in an amicable way and that staff understood the rationale.

Pay Award 2012/13

As £17,000 of the allocated budget was used to make the one off payment to all teaching staff, Mrs Higham confirmed that the remainder of the budget was used to make a 0.7% pay award to all staff from 1st January 2013. This amount was in line with the headline national pay recommendation made by the NJF.

Living Wage

Following concerns raised by Governors in relation to paying all staff the Living Wage, Mrs Higham confirmed that this has been discussed at the Staffing Committee and will be implemented to the 13 staff affected from 1st August 2013. Mrs Higham asked if members were in agreement that this was soon enough and all confirmed.

Hyndburn Studio School

The HR Team continue to provide support at an operational level to the Hyndburn Studio School under a Service Level Agreement. Initially it was envisaged that the staff who are currently employed by the College would be transferred, through a TUPE arrangements to the employ of the Pennine Lancashire Education Trust by December 2012. This transfer has now been postponed until decisions have been made in terms of the membership of the PLET Board and its application for Multi Academy status.

Outside Interests

At a recent Board Meeting, Mrs Higham advised that the issue of staff declaration of work or other "interests" outside of their College role was discussed and she had been asked to consider this. Mrs Higham reported that currently staff are obliged, under their contract of employment to declare any other employment but there has been no formal register of other outside interests. This issue has recently been discussed with the Senior Management Team and it was agreed that compiling a register of staff interests would be a beneficial exercise. This will commence with new starters, Senior and Middle Management before rolling out to all staff.

Mrs Higham will produce a policy and asked members to let her know if they have any policies already in place.

Employee Assistance Programme

Mrs Higham reported that following a recent tender process, Workplace Options were appointed from January 2013. The Employee Assistance Programme gives staff access to a wide range of free and confidential support on a number issues including counseling, parenting, bereavement etc. Last year the College spent a significant amount on extra counseling and this facility allows unlimited access. This facility costs the College £9.00 per employee per year. Members asked if this facility could also be rolled out to Governors and Mrs Higham confirmed that it could be. The Clerk to the Corporation will circulate all relevant details to Governors.

Feedback from staff who have accessed the facility since January has been extremely positive.

LSIS and the FE Guild

LSIS is being replaced this year by an FE Guild, which is a partnership led by the Association of Colleges and Association of Employment and Learning Providers with sector support from a number of organisations. A full implementation plan is being developed by the FE Guild and once approved will enable initial operation from 1st August 2013.

Disclosure and Barring Service and Checks against Barred Lists (List 99)

Since the last meeting, the College has been designated as a “specified place” which enables the College to check all employees against the Barred lists. Following discussions with the Safeguarding Group, it has been agreed that although each member of staff will or new member of staff will be considered on an individual basis, anyone working primarily at the Broad Oak Campus or within the Globe catering facility will be classed as working in a “specified place”. The Chair asked if there was a risk if someone was moved across from a non-specified place. Mrs Higham didn’t believe this would be a huge problem but would review if the move was for any length of time.

Disclosure and Barring Update Service

It is anticipated that the DBS checks (formerly CRB) will be portable between employers from March 2013. The service will be free for volunteers but a small annual subscription fee will be introduced for paid employees to use the service.

Employment Legislation

Mrs Higham advised that all the up to date information was contained within her report and confirmed that the HR Team were updating policies where appropriate. The introduction of Protected Conversations will allow employers to open dialogue with employees about underperformance without fear of this being used in evidence against them in a claim of unfair dismissal at an employment tribunal.

Mrs Higham then went on to advise that the HR Team continue to work towards the strategic priorities.

- 457 RESOLVED**
- i) that the Living Wage will be introduced to those members of staff eligible from 1st August 2013;**
 - ii) request to inform about “outside interest” to be introduced and a Policy to be prepared by the Director of People and Performance; and**
 - iii) Clerk to the Corporation to provide Governors with information relating to the Employee Assistance Programme**

The Chair thanked Mrs Higham for her comprehensive and informative report. Mrs Higham left the meeting

B Finance Items

52.6 Financial Monitoring: Management Accounts to 31 January 2013 and Outturn Forecast (including cashflow forecast)

The Finance Director presented the Management Accounts to 31 January 2013 and the Outturn Forecast. Mrs Jarvis advised that the overall projected outturn for the year still remains at £350k, however included in this are the impact of two decisions not anticipated in the original budget. The first being that the College will benefit by £258k from the Skills Funding Agency’s

decision to pay colleges who exceeded their cash target on the adult additional learner support allocation. This additional income amounts to £258k. Secondly, the provision has been made to underwrite approximately £70k of the deficit the Hyndburn Studio School may incur in its first year. Mrs Jarvis reminded members that approval had been given to underwrite up to a maximum of £100k over a two year period.

Mrs Jarvis then went on to update members as follows:

Income

Skills Funding Agency Adult Learner Responsive and Apprenticeship 19+ (Adult Single Budget)

- the overall variance compared to the original budget totals £539k and relates to a Skills Funding Agency contract variance issued in the College's favour, following overachievement of the Adult Single Budget in 2011/12. The College has finalized a plan to achieve this extra allocation and related costs are included in expenditure heads, including part time teachers, partnership contracts and exam and validation costs. It is anticipated that this line will break even due to costs of delivery and the additional teaching hour not being implemented as expected.

Franchised Higher Education – an adverse variance has arisen due to some of the programmes originally predicted to run under the Bolton University Franchise being transferred to the HEFCE direct contract. Although this transfer has not increased the HEFCE funding, it has ensured that the College has met the HEFCE number control targets.

Expenditure

Permanent Pay – this line is showing an adverse variance.

In relation to the cashflow, Mrs Jarvis reported that the College was showing a better cash position than in the original budget and it was still projecting a £350k surplus.

The discussion then turned to the support provided by the College to the Hyndburn Studio School and what options were available to us. A proposal will be submitted to the Corporation Board on Tuesday 26th March for discussion.

Members

458 RESOLVED To note the report

52.7 Capital Expenditure 2012/13

The Finance Director presented the Capital Expenditure Report for 2012/13. Members will recall that the three-year financial forecast approved at the meeting of the Corporation in June 2012, included an assumption that the College would invest £300k per annum but approved £350k to be spent in 2012/13. Mrs Jarvis advised that the committed expenditure for minor works was £320k and that £30k had been reserved to support the Enhanced Renewal Grant.

Mrs Jarvis will provide members with an update on capital bids for next year at the next meeting to be held in June.

Dr Lee noted that £30k had been spent on a new Sports Science Laboratory and commented that he thought Governors may be interested in visiting any new facilities and asked if a tour could be organised in the Summer. The Clerk to the Corporation agreed to organise and will contact Governors in due course.

Members

459 RESOLVED **i) to note the Capital Expenditure report;**
ii) the Clerk to the Corporation will organise a tour of new facilities for Governors in the Summer; and
iii) Capital bids for 2013/14 will be presented by the Finance Director at the next meeting

52.8 Tuition Fee Strategy 2013/14 for Further Education

The Finance Director advised that the College reviews its fee strategy annually and that the HE fee strategy for 2013/14 was presented to this Committee last year. Mrs Jarvis presented the FE fee strategy for 2013/14 and advised that it had undergone a fundamental review in light of significant funding regime changes. The main change being the introduction of the Skills Funding Agency 24+ Advanced Learner Loans.

Appendix 1 of Mrs Jarvis's report highlights the different categories learners fall into:

Green – Fully Funded

Blue – Co Funded

Pink – No Funding

Yellow – 24+ Advanced Learner Loans (no grant funding) and for L3 or above FE courses

Mrs Jarvis advised that she had colour coded her report to reflect the categories of learners and noted that the key change was that traditionally the College had chosen to charge a combination of fees to learners. For lots of reasons the decision has been made to consolidate to cover all essential elements of a programme. The Skills Funding Agency have also advised that organisations will no longer be able to charge for an element that is essential to a programme, only optional costs not a central part of the curriculum would be able to be charged.

The College is setting out clear guidelines and anticipates charging what the Skills Funding Agency except it to charge. However, this is not always possible due to the type of learners and the level of deprivation in the area. Mrs Jarvis advised that any deviation of fee charges has to be signed off by her but the College will maximise its position as much as possible.

Packages for employers and learners who withdraw will also be contained in the Fee Policy which will be available to learners.

Dr Lee asked what proportion of learners over the age of 18 have their fees paid for by Employers. Mrs Jarvis advised that it was difficult to quantify but the College is aware of around 10%. The College is only aware if the Employer pays the College directly, if a learner is reimbursed by an Employer the College wouldn't necessarily know. With the introduction of 24+ Advanced Learner Loans it will become even harder to track.

Members

460 RESOLVED To recommend the Further Education Tuition Fee Strategy for 2013/14 to the Corporation Board for approval.

52.9 Treasury Management Policy

The Vice Principal – Corporate Services presented the annual Treasury Management Policy for approval. Mrs Collinge confirmed that no changes had been made to the Policy so unless members wanted to make any changes, Mrs Collinge proposed to continue with the arrangements in place.

On the front page of the Treasury Management Policy, Mrs Collinge had included an update on the deposits made with Barclays Wealth for investing. Mrs Collinge advised that she continues to check the credit ratings companies before investing and decides how long to invest for. It was noted that since writing the report, interest rates have reduced.

Dr Lee recommended one amendment on Page 2 of the Treasury Management Policy at Item 2.6. He suggested that “at 3.1” should be included at the end of the sentence for additional clarity. Mrs Collinge agreed to update and members then approved the Treasury management Policy for a further 12 months.

Members

461 RESOLVED

- i) To approve the Treasury Management Policy for a further 12 months; and**
- ii) The Vice Principal – Corporate Services will update Page 2, Item 2.6 to include “at 3.1” at the end.**

52.10 College Financial Regulations Update

The Finance Director advised that she had reviewed the College Financial Regulations and confirmed that only two minor changes had been made in relation to a name and date change. Mrs Jarvis is confident that the Regulations are where the College needs them to be and they continue to be fit for purpose. Dr Lee asked if the Learning and Skills Act 2000 highlighted on the back page, was the most recent Act. Mrs Jarvis believed that it was but agreed to check.

The Clerk to the Corporation asked members to retain their copies of the Financial Regulations as these would be presented to the Corporation Board for approval on 26th March 2013.

Members

- 462 RESOLVED**
- i) that the Finance Director would check that the Learning and Skills Act 2000 was the most recent; and**
 - ii) recommended the Financial Regulations to the Corporation Board for approval**

C Miscellaneous Items

52.11 Property Strategy Update

The Vice Principal – Corporate Services presented a paper in relation to the College Property Strategy and Enhanced Renewal Grant. The Enhanced Renewal Grant has been submitted twice before and on both occasions was rejected by the Skills Funding Agency. Mrs Collinge noted that the College’s third submission has now been made and it expects to hear on 18th March 2013 as to whether it has been successful.

If members recall, the final element of the current property strategy was the construction of the Sports Hall and improvements to the Car Parking and access road between the Hameldon Centre and the Pavilion. At the last meeting, Mrs Collinge advised that members had asked how these would be funded and Mrs Collinge confirmed that she was confident that the College could now afford without any financial contribution needed. £1.1m of the College’s reserves would be required, which is half the Colleges reserves and Mrs Collinge believes that would be acceptable.

Mr Ingham asked what had changed in the third submission compared to previous submissions. Mrs Collinge advised that the College had missed out on the last round by only 2 points and the College had updated on areas such as sustainability, health & safety and DDA. If the College isn’t successful this time round, Mrs Collinge advised that the existing property strategy would be reviewed as part of the new Property Strategy.

In terms of the future, the Skills Funding Agency have announced that funding is available from a Capital Investment Programme. Mrs Collinge advised that Expressions of Interest were required by 1st March and the College had to submit an expression by this date in order to have a chance of getting included in the round. The Investment Programme will attract a 2:1 grant.

The College has submitted a request for a 50% grant for fees incurred on developing and submitting the bid and is working with AA Projects to submit an expression of interest. Once submitted, Mrs Collinge confirmed that there was no obligation to complete the work and there will be several opportunities when bids will be requested however, with diminishing funding.

The 50% grant support will enable the College to develop a new property strategy with Governor support and approval of a new Property Strategy will be required whether or not a bid is submitted immediately.

Mrs Collinge had attached to her report, an educational case to support the Expression of Interest which, it is proposed will form the basis of the new Property Strategy. The intention is to develop the Property Strategy and present it at the next meeting of the Finance & Employment Committee. Included in the proposed Property Strategy will be the standard of facilities of the Hospitality and Catering Faculty and the need to look at alternative premises to accommodate. The College is currently looking at a number of options.

Members of the Committee then went on to comment that it was excellent to have options available and whether the College had considered local properties around the area, which could also have the potential of increasing the HE Strategy with student accommodation. The question was also asked as to whether the College should be reviewing Curriculum first before the property strategy. Both Mrs Mason and Mrs Collinge confirmed that Curriculum was being reviewed as part of the process.

In terms of the costs involved in the new Capital Investment Programme, the College would need to find £2m so the new Property Strategy would be based on a programme over a number of years. A bid for £50k towards initial costs has been requested and the College expects to absorb around £20k this year.

Members agreed to support the proposals for the Property Strategy and Mrs Collinge will update members at the next meeting.

**463 RESOLVED i) to support the proposals for the Property Strategy; and
ii) the Vice Principal – Corporate Services will update members at the next meeting**

52.12 Declaration of any Confidential Items

The Chair requested that the discussion regarding the Hyndburn Studio School in Item 52.6 be treated as confidential and should be reviewed again in 12 months' time.

52.13 Date and Time of Next Meeting

The next meeting will take place at 5.00pm on Tuesday 25th June 2013.

The meeting closed at 6.50pm