



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

**Minutes of the Meeting Held at  
5.00pm on Tuesday 27<sup>th</sup> November 2012  
in the Conference Room, Broad Oak Centre**

**Confirmed**

**Present:**

Dr M Lee	Independent Member and Chair of Corporation Board
Dr S Bhatti	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)
Mr H Tallon	Vice-Principal (Quality & Standards)
Mrs C Jarvis	Director of Finance
Mrs L Higham	Director of People and Performance – For Item 50.5
Mr A Armiger	Clerk to the Corporation
Mrs N Tattersall	Minuting Clerk
Mr S During	Director of IT and Facilities – For Item 50.10

**Apologies were received from:**

Mr B Stephenson	Chair of the Committee and Independent Member
Mr R Grigorjevs	Independent Member
Mr P Trickett	Independent Member

	Date:
Draft Minutes Prepared by: NT- AA	30-11-12
Draft Minutes approved by the Chair of the Committee:	04-11-12
Minutes Approved by the Committee:	12-03-12

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

**Chair**

### **51.1 Apologies for Absence**

Apologies for absence were received from Mr B Stephenson and Mr R Grigorjevs. Mr P Trickett was also absent from the meeting..

Dr Lee advised members that Mr Stephenson was unable to attend the meeting and had asked Dr Lee to chair the meeting. The Chair welcomed members to the meeting.

### **51.2 Declaration of Interest**

There were no declarations of interest.

### **51.3 Minutes of the Meeting held on 19<sup>th</sup> June 2012**

The Finance and Employment Committee members approved the Minutes of the Finance and Employment Committee Meeting held on 19<sup>th</sup> June 2012 as a true and accurate record of the meeting. The Chair advised members that Mr Stephenson had reviewed the minutes and was also happy to accept as an accurate record. Members

**443 RESOLVED i) To approve the minutes of the meeting held on 19<sup>th</sup> June 2012 as a true and accurate record.**

### **51.4 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.

**Item 51.4b** – the analysis of payroll costs from 2008/9 to 2012/13 was provided to members following discussion at the last meeting. The Chair asked what impact the recruitment of Learning Development Mentors (LDMs) had had on staff with teaching roles. Mrs Higham responded that originally teaching staff had undertaken the role of providing a tutorial guidance, but LDMs had now been brought in to work with learners on pastoral care, career guidance and that these staff now undertake the personal tutor role. Mrs Mason advised that the College had seen considerable improvement in the quality of this type of work following recruitment of the Learning Development Mentors. The process is much more efficient and standards of pastoral, guidance and tutorial work are now centralised and standardised.

Dr Bhatti noted that from the information supplied the overall pay for assessors appeared to have halved. Mrs Mason confirmed that this was due to the demise of Train to Gain. Members

**444 RESOLVED i) to note the report**

## **A HR and Related Items**

### **51.5 Annual Health and Safety Report**

The Director of IT & Facilities presented the annual health & safety report to members and advised that there were no major issues to report. Mr During reported that in 2011/12, the College reported 84 accidents, which mainly resulted from minor cuts within Hair & Beauty and

Carpentry. Two accidents had resulted in hospital treatment, one of which needed to be reported under RIDDOR “Reporting of Injuries, Diseases and Dangerous Occurrences Regulations”. The College currently has 3 claims for compensation ongoing, one where the College has admitted liability, due to a table in the College Restaurant falling and injuring a member of the public’s foot. The final resolution of these claims is still not finalised.

Mr During then updated members on the following areas:

**Risk Assessments** - 100% of the risk assessments required have been completed and are up to date. Copies of all risk assessments are available on the College Virtual Learning Environment.

**Training** – the College now owns two defibrillators and training will be undertaken by staff before these are implemented across College.

**Workplace Appraisals** – workplace appraisals are a requirement placed upon the College by our funders and all necessary appraisals have been completed.

**Disaster Management** – following the recent hoax bomb threats in the Summer, the College has updated its disaster management plan and emergency procedure, incorporating advice given by the Police.

Mr During informed members that there had been no major legislation changes in year but noted that RIDDOR have advised that it is now not necessary to report accidents leading to an employee being off work for 7 days, previously it had been 3 days.

Dr Bhatti asked when it was likely that the defibrillators would be operational. Mr During commented that although the defibrillators are accessible now the College would prefer staff to be trained before they are used. Members

#### **445 RESOLVED To note the report**

The Chair thanked Mr During for his report and *Mr During left the meeting*

### **51.6 HR Items**

#### **HR Annual Report 2011/12 and 2012/13 Pay Award Update**

The Director of People and Performance presented her annual HR Report for 2011/12, which highlighted the general issues and conclusions to the reviews undertaken. Mrs Higham then went on to update members on the progress being made by the HR Team:

**Surestart Hyndburn** – the contract has been renewed and the HR Team continue to provide HR advice and support.

**Hyndburn Studio School** – HR support will continue for the school and a service level agreement has been drafted.

**New Integrated HR/Payroll System** – this continues to be implemented and it is hoped the new system will go live by April 2013.

**Teaching Hours** – after discussions towards the end of the last academic year, consultation began with UCU before the summer break with regard to increasing the contractual number of teaching hours from 792 per year to 828. The current teaching hours are the lowest teaching loads in the region and by increasing by one hour per week this would allow the College to make

approximately £100k of savings. Mrs Higham advised that negotiations started with UCU regional offices in August, alongside communication via letters to those individuals affected by the proposal. After a number of meetings the College was disappointed that UCU's response was that they were unprepared to accept the change. This feedback was contrary to informal feedback received from individuals and their managers. The Principal, Vice Principal – Curriculum and the Director of People and Performance visited all teams to discuss the proposals and to take any questions and feedback from staff. Further discussions are due to take place with UCU to discuss further and Mrs Higham will update members at the next meeting.

**Staff Turnover 2011/12** – this was slightly less than last year, but still stands at 12.9%.

**Teaching Staff Utilisation** – the report contained within Mrs Higham's paper, outlined the staff utilisation results which will be discussed as part of the Self-Assessment Review. These grades will also be contained in the SAR. Grade 1 is outstanding and represents 100% efficiency. The College is striving for all teams to be 100% efficient.

**Pensions Auto Enrolment** – all eligible employees will be automatically enrolled, under the new legislation. Currently 25% of existing employees are not enrolled in a pension scheme.

**CRB Checks** – Mrs Higham advised that the College understands the changes that are needed and will implement them. In terms of checks against barred lists (List 99), members will recall that under new restrictions the College would be unable to undertake these checks. This left the College vulnerable to employing staff on the "barred" list. Schools, Sixth Forms and Child Care premises amongst others are designated as "specified places". Any institution identified as being a "specified place" can check all employees against the barred list. Following attendance at the AoCs Disclosure and Barring Service Road Show it appears that colleges may now categorise themselves as a "specified place". Mrs Higham advised that the College was considering this option.

At this point in the report, members were asked if they had any questions.

Mr Ingham asked if lecturers are asked to advise the College if they have another business or interest. Is this something that is monitored? Mrs Higham advised that within contracts, staff are asked if they are involved in other activities or other work, as this needs to be reported. The College doesn't ask about other interests. Mrs Mason noted that the onus would be on the staff member to tell the College. The question was asked if notification of interest could be incorporated into the Appraisal process. Mrs Higham will look into how this can be addressed.

Mrs Higham then went on to update members in relation to the forthcoming pay award. After a number of meetings of the NJF, a final pay recommendation was made by the AoC:

- a consolidated salary increase of £200 for staff earning below £15,000 per year;
- a consolidated increase of 0.7% for all staff earning above £15,000 per year.

In addition, the recommendation includes a minimum hourly rate of £7.30 per hour, in response to trade unions living wage campaign.

Mrs Higham advised that the College has set aside 1% in the budget for a pay award and if a 0.7% award is given to all staff, this would leave a small allowance to assist with the Colleges pay

priorities. Another issue for the College is the living wage campaign, of which we have 13 members of staff below the recommended £7.30 per hour. However, all these members of staff are on full College Terms & Conditions. The staffing group will be considering the key priorities to the College.

Progress towards all the strategic priorities were reported in Mrs Higham's paper. Members

- 446 RESOLVED**
- i) to note the report**
  - ii) that the Director of People and Performance will update members at the next meeting in relation to the Staff Teaching Hour,; and**
  - iii) that the Director of People and Performance will review the options available in order for staff to be able to the college inform about their "outside interests".**

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

## **B Finance Items**

### **51.7 Financial Support for Students**

The Vice Principal – Quality & Standards updated members on the Financial Support available for students. In previous years, over 50% of our full time learners claimed an Educational Maintenance Allowance, which has since been withdrawn and replaced by a Bursary Fund. In anticipation of the demise of EMA, the College put together its own support package and a full breakdown of those students accessing the bursary was attached to Mr Tallon's report.

In terms of impact, Mr Tallon advised that the College has maintained high retention rates amongst 16-18 year old learners during 2011/12. The overall retention rate for all long qualifications was 88%, which represents an increase of 1%. Student achievement within the same age group has also increased by 2%.

Mr Tallon noted that Hyndburn has a high deprivation rate and educational attainment is low. In 2011/12, the College had 178 safeguarding referrals, 23 looked after children and 3 forced marriages, you would therefore expect more students to be accessing the package. In relation to the budget, there are already some obvious variances from the original budget, in terms of the final offer to students. Overall, the financial contribution required to support this scheme was less than anticipated, partly due to the 16-18 full time learner number target not being achieved.

Dr Bhatti asked if the poor take up of the scheme was due to a stigma issue, and had the College considered introducing a card system for the cafeteria, that can top up with credit for students without other students necessarily knowing where the credit has come from. Dr Bhatti said that he felt that there is a need for financial support and the College needs to strive to identify those learners in need. Mrs Jarvis noted that all students are eligible to request financial support so it was not felt it was necessarily a stigma issue, just that students do not come

forward despite all the information and guidance they are given. Mr Tallon and Mrs Jarvis said that they will undertake to look at more ways to try and identify which students require support and are not currently receiving it.

Members

- 447 RESOLVED**
- i) To note the report; and**
  - ii) The Vice Principal – Quality & Standards and the Finance Director would undertake to look at ways of identify which students require support.**

*Mr Tallon left the meeting after presenting his report.*

### **51.8 Financial Situation to 31<sup>st</sup> July 2012**

The Finance Director presented the financial position to the 31<sup>st</sup> July 2012. This report brings members up to date on how the College finished the year financially. The full report to the senior management team was also attached to Mrs Jarvis's paper.

Mrs Jarvis advised that the original budget, approved by the Corporation Board, planned a surplus of £350k. At the Finance & Employment meeting in June, the anticipated surplus was expected to be £793k, due to post year-end adjustments. However, the overall surplus before FRS17 was £1,189k which shows a favorable variance of £395k. With FRS17 taken into consideration, this reduced the overall surplus to £946k.

Mrs Jarvis then explained the variances to members:

#### **Income**

- adult single line – the Skills Funding Agency paid the College for overachievement which resulted in a £235k favourable outcome.
- Apprenticeships 16-18. - This remained an issue and £150k adverse outcome was reported
- Fees were slightly overachieved resulting in a £34k favourable outcome

#### **Expenditure**

- Remodelling - £84k favourable as Stubbylee costs had been capitalised together with the Science Laboratory costs, following auditor advice. This will have a knock on effect in future years due to depreciation costs.
- Learning Support - £23k favourable
- Exam & Validation Fees - £34k adverse, this is mainly due to the decision to write off expenditure relating to eportfolios.

#### **Other Activities**

- Hyndburn Studio School - £127k favourable, this relates to services provided by college staff in the setting up of the school. The College has also committed to underwriting any losses of the school up to £100k, over the first two years.

In terms of KPIs, Mrs Jarvis reported that the general reserves were at 28%, cash days in hand were 43 and the net ratio was 1.5:1.

The main issues arising from the financial position, at 31<sup>st</sup> July were:

- Underachievement of the EFA 16-18 cash target, which did not impact on the contract in 2011/12 but will have implications for funding levels in the future.
- Adult Skills Budget overachievement – contract increased.
- Address challenges presented by 16-18 apprentices.

Mr Ingham asked about the Colleges plans for 16-18 apprentices. It was noted that the College has a directorate which specifically focuses on employer engagement, which is key to the recruitment of apprentices. In terms of the contract this is at a similar level to last year. The Chair asked if it was felt that it was not only Accrington & Rossendale College who is suffering in this area. Mrs Mason confirmed that this was the case and highlighted that the National Apprenticeship Service and BIS have been carrying out roadshows on how to set up apprenticeships. A discussion then took place on how much time apprentices spend in College and whether it was possible to look for employers further afield.

The Chair on behalf of Mr Stephenson, thanked both Mrs Jarvis and Mrs Collinge for all the work they put into reporting to this Committee. The Chair echoed Mr Stephenson's comments.

Members

**448 RESOLVED to note the report**

#### **51.9 Financial Statements for the year ending 31<sup>st</sup> July 2012**

The Financial Statements to 31<sup>st</sup> July 2012 were presented by the Finance Director. The Chair advised that as far as the figures in the Statements were concerned, these are essentially the same as those just looked at in the previous item, except that they have been put into the specified format. Mrs Jarvis confirmed that the Audit Committee had scrutinised the wording, as had the Chair as he would be signing the Statements, once approved. The Chair asked if members were happy to recommend the Financial Statements to the Corporation Board for approval. Members were also asked to retain their copies of the Statements and to bring to the Corporation Board Meeting on 11<sup>th</sup> December. Members

**449 RESOLVED i) to recommend the Financial Statements for the year ending 31<sup>st</sup> July 2012 to the Corporation Board for approval**

#### **51.10 Final Outcome: Capital Expenditure 2011/12 and Capital Expenditure 2012/13**

The Finance Director updated members on the final outcome for 2011/12 capital expenditure and the plans for 2012/13.

In terms of 2011/12, the total expenditure incurred on minor items was £312,446, against the budget of £250k. A full breakdown was included within the report. Grants to the value of £28,165 part funded the purchase of some minor equipment and depreciation arising from purchases to the value of £28,229 will be funded by commercial income. The balance of £255,992 compares to the £250,000 original budget. The small overspend relates to the decision to refurbish the lift in the Broad Oak Centre, which was approved at the June 2012 meeting. Expenditure relating to the property strategy totaled £673,502, £236,000 was transferred to net assets.

Mrs Jarvis advised that by the end of July the College had incurred £53k of costs relating to the construction of a new science laboratory, which has now been capitalised.

Mr Ingham noted that costs associated to Stubblelee had been capitalised and asked whether this was possible, as the College didn't own the premises. Mrs Jarvis advised that advice given from the external auditors, Grant Thornton, was that it could be capitalised over the period of the lease.

Mrs Jarvis then reported on plans for 2012/13. Members will recall that approval was given at the last meeting to increase the 2012/13 budget to £350k for 1 year only. £270,000 has been approved so far, following bids totaling £600k.

In relation to the property strategy for 2012/13, Mrs Jarvis reported that the College had been unsuccessful in the most recent round of the Skills Funding Agency Enhanced Renewal Grant allocations. The timeframe for the property strategy will therefore need to be reviewed however, the College is committed to some expenditure, in terms of the refurbishment of the approach road to the Hameldon Building.

Dr Bhatti asked if the College was seeing any benefit yet, in relation to the Solar Panels "Photovoltaic System". Mrs Collinge advised that these had only just been registered and therefore it was too early to say how much will be saved.

Members

**450 RESOLVED i) to note the report**

#### **51.11 Financial Situation to 31<sup>st</sup> October 2012**

The Finance Director provided members with an update on the financial position to 31<sup>st</sup> October 2012. The planned surplus for the year is £350k, which provides for some contingencies within income heads, in particular not assuming the full value of the Skills Funding Agency 16-18 apprenticeship contract. There are also assumed savings within the pay line. Mrs Jarvis advised that the full senior management team report was attached to her paper.

Mrs Jarvis reported that:

- Adult Skills Budget – the contract has been increased following better than expected performance in 2011/12. A plan for this additional allocation is being devised. However, this area remains a risk, due to the recruitment challenges.
- Additional Learner Support – this contract has been increased by £72k. This increase has been incorporated into the reported figures.
- 16-18 Apprenticeships – really challenging despite the favourable variance, the contract is at risk of underachievement.
- Franchised Higher Education – the adverse variance has arisen due to programmes originally run under the Bolton University franchise being transferred to HEFCE.
- Part-time Teachers – a possible overspend is expected



- Paylines – these are continually monitored by the Staffing Group, and opportunities for savings and efficiencies are identified
- Remodelling – current plans will result in an underspend, but only as a result of some of the planned expenditure being capitalised.

In relation to the KPIs, Mrs Jarvis reported that the current position looks good. The Senior Management Team will continue to work towards the budgeted surplus and members will be updated at the next meeting.

Members

**451 RESOLVED i) to note the report**

#### **51.12 Contribution Rates 2011/12**

The Finance Director presented the Contribution Rates for 2012/13 and advised that the overall contribution rates have gone down. Mr Ingham asked about the £400k staffing savings that were planned for 2011/12. Mrs Jarvis noted that this report only highlighted the income contributions made by teams and that planned savings on staffing are absorbed through additional income received and efficiency savings. The College is also working hard to reduce overheads and set realistic targets.

Members

**452 RESOLVED i) to note the report**

#### **51.13 HE Tution Fees 2013/14**

The Finance Director advised members that the College revises its Fee Strategy for HE annually. The Corporation Board approved the fee strategy in July 2011 for 2012/13, following recommendation from this Committee. Mrs Jarvis advised that the fees for 2011/12 were approved at £5,900 and the recommendation for 2012/13 is to increase the fees by £50.00 to £5,950. This will keep the fee below the £6,000 mark which would mean the College would not have to have an offer agreement. Following the introduction of fees, Mrs Jarvis reported that recruitment has still met the number control target, in the HEFCE Contract. It was also noted that not all colleges had managed to maintain their recruitment numbers.

Mrs Jarvis also reported that the College now offers an entrants pack as an incentive to enroll. This comprises an IT tablet of their choice and an Accross branded fleece jacket. Part-time students are required to make a 50% contribution to the cost of the package.

The proposal for 2013/14, for recommendation to the Corporation Board is that fees increase by £50.00 to £5,950 and that the incentive package remains. The Chair asked if members were in agreement to recommend to the Corporation Board.

Members

**453 RESOLVED** i) to recommend to the Corporation Board that the HE Fees for 2013/14 to be set at £5,950 for full time courses and £2975 for part time courses

#### **51.14 The College Property Strategy and Enhanced Renewal Grant Bid**

The Vice Principal (Corporate Services) presented an update in relation to the College Property Strategy and the Enhanced Renewal Grant. Members will recall the Corporation Board approved the current property strategy in December 2011. At a meeting in September 2012, the submission of a bid for Enhanced Renewal Grant Phase 3 from the Skills Funding Agency was approved. Mrs Collinge advised that the College has received notification that the bid has been unsuccessful and potential funding of £700k is no longer available. This is fundamental to the timing and affordability of elements of the Property Strategy. The College now needs to look at ways of pursuing the Property Strategy without additional funding.

In terms of the work already carried out on the Sports Pitch & Pavilion, Stubbylee and the Science Laboratory, Mrs Collinge confirmed that these have all been completed successfully and that the work had been done within the budget. New leases have also been agreed to support the Employment Academy.

Mrs Collinge reported that the current Property Strategy leaves two elements outstanding, the Sports Hall and access road to the Hameldon Building. The access road needs to be completed urgently and it is proposed that works be undertaken for refurbishment of the road, but future proofed for the possible construction of a Sports Hall. Members needed to decide whether the College continues to move forward to build a Sports Hall as part of the existing property strategy and, if so, how the balance can be funded either by using college reserves or part college reserves and a bank loan.

Mrs Collinge advised that the original timescales built into the ERG bid assumed that the Sports Hall would be constructed between April and August 2013, in time for use in the new academic year. If this timescale is retained it would allow a decision to be delayed until finances can be reviewed taking into account the forecast for the current year, changes to the EFA and SFA funding allocations and also the curriculum review currently being undertaken.

Mrs Collinge proposed that the College obtains planning permission and at the next meeting of this Committee, in March 2013, a final decision as to whether to pursue with the Sports Hall will be considered after discussing the college finances, bank loan proposals and curriculum plans.

A discussion then took place by members as to whether the business model for the sports hall could work without grant funding and whether there were any opportunities to seek funding from other sources. Members accepted the need for a sports hall and were supportive of the proposal in principle, but concern was expressed about the impact of funding construction solely from college resources. Mrs Collinge will investigate all the options available and update members at the March 2013 meeting. Members

- 454 RESOLVED** i) the College will move ahead with planning permission for the Sports Hall and update members at the March 2013 in terms of funding options before members make a recommendation to the Corporation Board.
- ii) the College will undertake work in relation to the access road to Hameldon as part of the approved College Property Strategy

**51.15 Release of Confidential Papers**

**Item 46.13 – Proposed Partnerships and Franchising Arrangements**

**Item 46.14 – Update on Shared Services Provision**

The Clerk advised members that these papers had been filed confidentially for the last 12 months and asked whether these could now be released into the public domain. After discussion, it was decided that there were items contained in the report that were still confidential and it was agreed to keep them in the Confidential file for a further 12 months. Members

- 454 RESOLVED** that Items 46.13 – Proposed Partnerships and Franchising Arrangements and Item 46.14 – Update on Shared Services Provision, would remain confidential for a further 12 months until November 2013

**C Miscellaneous Items**

**51.16 Declaration of any Confidential Items**

Members confirmed that there were no items deemed to be confidential.

**51.17 Date and Time of Next Meeting**

The date and time of the next meeting is yet to be confirmed.

**The meeting closed at 7.30pm**