

THE COLLEGE OF RICHARD COLLYER

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON TUESDAY, 10th MAY 2011 at 11.00 a.m.

Present: Mr G R Baird, Mr C P Clementi , Mr C J Eley, Mr M Hodgson, Dr J Johnston,
Mr A R C Lane, Mr C J P Watney

Apologies received: N/A

In attendance: Mr I F Dumbleton, Ms N Whitehead

In the Chair: Mr G R Baird

Mr Eley was welcomed to his first meeting as a member of the F&GP Committee.

1699. Declaration of interests

There were no declarations of interests.

1700. **Minutes (Parts I and II)** of the meeting held on 1st March were approved.

1701. Matters arising

Part I minutes

Item 1687 (and previously 1678): A further meeting with HDC, also to include the hospital, in order to discuss possible road safety enhancements was yet to be organised following restructuring at HDC.

Item 1687 (and 1680): The Principal confirmed that the teachers' pay offer of 0.75% had now been accepted.

Item 1688: The Chair reported the progress in signing off the snagging issues in the John Dew building and the action proposed by the college.

Item 1691: The Director of Finance confirmed that the college had sought advice on the college's pension contributions. As a result the shortfall of £34k on the LGPS (understood to be relatively small compared with many colleges) had been paid off to leave the Collyer's scheme fully-funded and avoid future interest payments. There had been no advantage in making any higher contribution at this stage.

Item 1696: The Chair reported that no further progress appeared to have been made on the Code of Governance. It was understood the document would be undergoing further review following the comments received to-date.

Part II minutes ((Criterion h) Information considered to be commercially sensitive)

1702. Report from the Premises Sub-Committee

Papers: Minutes(Parts I and II) of the meeting of 1st March and Form A (the bid) and the Terms and Conditions for a YPLA capital grant.

- a) **Capital bid:** The Chair explained that following the last meeting when any capital bid had been considered as a desirable opportunity, the College had bid for capital funding intended for refurbishment

and health and safety improvements. The YPLA had responded with agreement to £380k of funding, largely towards refurbishment of the canteen but also to enable improvements to exits from buildings to include a fire escape and DDA enhancements. One of the conditions of the grant was that the work needed to be completed by March 2012 which, for the canteen at least, meant work being undertaken in the forthcoming Summer break. In view of the tight timetable, the recent Premises Sub-Committee meeting had been brought forward to consider the proposals in detail and agree the project timetable. Subsequent to that the Principal reported that SMT had agreed that, if at all possible, work could start on 5th July to seek to avoid the work affecting the start of the Autumn term.

The Chair outlined the risks discussed by the Premises Sub-Committee which included both the timely receipt of planning permission for a (seemingly uncontentious) change to the canteen windows as well as programme slippage which could impact on new students' first impressions of the college. The Principal expressed a preference for simplification of plans rather than slippage where at all possible and said that the college was investigating the advance procurement of the steelworks as one of the most time-critical factors. Finally the Chair highlighted the potential risk of cost overrun. More precise costings would be possible once tenders had been received and these were being requested to reflect packages of work to enable prioritisation if necessary. The College's cashflow was healthy which might enable up to £100k of college funding to be contributed to the project if advantageous. The Chair explained that the Sub-Committee had also addressed the desirability of the project when the property strategy had favoured a new build. However the prospect of funding being available for a project of that size was not good so this appeared an opportunity worth seizing. As well as providing a safer and more pleasant environment for staff and students, it was hoped there might also be energy efficiencies from more effective lighting and heating.

Members welcomed and approved the capital bid, project action plans and agreement to the YPLA terms and conditions.

b) Wolfson/Food and Nutrition area

The Director of Finance confirmed that the full grant had now been received. The works completed to-date, and particularly the screen, were much appreciated and completion of the kitchen area in the summer would finalise this project.

c) John Dew Building (see Item 1701 above)

d) The Principal confirmed that she had received no further details regarding the Southwater expansion plans following the recent public consultation exercise.

1703. Management Accounts

Paper: Financial Report for the period from 1st August 2010 to 31st March 2011

The Director of Finance explained that, at the end of March, the college's financial position was healthy with favourable variances on income (ahead of forecast by some £48k), pay expenditure (a favourable variance of c. £22k) and non-pay expenditure (a favourable variance of £58k) contributing to a current surplus of some £195k (£128k ahead of forecast). The current ratio was healthy at 1.70:1 and cash days in hand were 68. At 70.4%, staff costs as a percentage of income were better than the 71.4% forecast. Although the pay increases had yet to be introduced, previous cautious budgeting for a slightly higher increase would bring a further gain. The key income variance was additional income of £28k generated from apprenticeships.

In terms of the college's loan repayment strategy, the current approach (including a mix of a fixed rate and variable loan) continued to serve the college's purposes. A recent meeting with the new bank manager had reviewed the balance of loans and concluded that the time was not right for a further fixed loan although this would be kept under review. Modest overpayment of the variable loan currently

meant that the loan term might be reduced by a couple of years although this also gave the college a holiday facility if necessary.

Part II minutes ((Criterion h) Information considered to be commercially sensitive)

1704. College Fund and Tuition fees 2011/12

Paper: Fees and charges 2011/12

The Director of Finance corrected a couple of errors in the draft paper. On the basis of the revised figures members were content with the proposals which included an increase in non-EU student fees (with a further similar increase likely the following year). Members noted that the Government's decision on international students did not affect the college given its Higher Trusted Status which meant they could continue to take such students. Uncertainty over UK policy overseas was however thought to have caused at least some of the slower rate of deposits received to-date. So far 23 first years were expected to continue (by comparison with 13 current 2nd years). 3 deposits from prospective new students had been received with a further 19 in the pipeline. It was hoped a conversion rate of approx two thirds of these could be achieved. The apparent large increase in the charges for a few of the courses reflected a significant change in the course content. The fees had been benchmarked against the college's competitors.

Recommendation: the Governing Body should approve the Fees and Charges for 2011/12

1705. Funding for 2011/12

Papers: YPLA and SFA Funding allocation statements

The Principal explained that the proposed YPLA funding allocation would see a drop in the college's 16-18 funding from £7.3 million in the current year to £6.6 million in cash terms by 2014. For the coming year transitional protection would produce funding of £7.02 million. For Adult Skills the SFA allocation for 2011/12 was £109,307. Although this appeared to be in line with 2010/11 funding, this did not reflect the additional work which had been done over and above the current year's allocation. In terms of apprenticeships, there was the possibility of an upward revision of the allocation for 2011/12 of £69k to reflect the additional work done this year and expected to be done next.

The cut in real terms was even greater given increased inflation costs and would be particularly challenging in Years 3 and 4. For the coming year the Government had made a commitment to fund lagged learner numbers but there was no commitment, at least as yet, for subsequent years.

Pay would be a key factor in keeping costs down and all other avenues were being pursued in order to avoid more draconian measures and possible redundancies which could in turn impact on the range and quality of the college offer. SMT had identified £110k of savings for the forthcoming year but these could not produce the same benefit in later years. Growth remained the best solution to maintain college funding. Increased marketing was targeted at improving the conversion rate from applications received to take-up of places. Flyers had been distributed, an information evening held for new parents from non-feeder schools and scholarships or exhibitions (name to be decided) were being offered to those students performing best at GCSE. It was not yet known to what extent the loss of EMA would affect student choices. Whilst the Government had announced a replacement bursary, no details were yet available.

1706. Pay Policy

Paper: Pay Policy 2011

Members noted the pay enhancements which a member of Collyer's staff would normally expect. For the forthcoming year it was proposed that there should be no inflation award but that new teachers would retain the opportunity to climb through their 6 main scale spine points. Teachers would also continue to qualify for their first performance management award but the subsequent two awards would be frozen.

For support staff there would be a similar inflation freeze. The second point of the locally agreed performance management scheme had been frozen in the current year and it was proposed that first point should also be frozen in 2011/12 with no movement up the bands.

Members agreed with the policy as a more favourable approach than redundancies at this stage, and in the hope that this might be sufficient. It was felt such caution was well-advised and that any unlikely improvement in the situation should only be reflected in, at best, a bonus scheme or a relaxation of the policy in subsequent years if considered possible.

Recommendation: The Governing Body should approve the Pay Policy at its next meeting subject to any further management proposals for amendments following conditions of service meetings.

1707. **Any other business**

i) **Parent Governor:** The Clerk reported that one nomination had been received for a parent governor who was expected to have a student at the college for the duration of her term of office. Her experience in HR and employment law would be a valuable addition to the Governing Body in an area identified as a current skills gap. She would be meeting with the Chair and Clerk shortly with a view to ratification of her appointment at the next meeting of the Governing Body which she hoped to attend.

ii) **Apprenticeships**

Part II minutes ((Criterion h) Information considered to be commercially sensitive)

iii) Peter Griffiths (WSCC) had confirmed that he would be happy to meet with the Principal and heads of local feeder schools to discuss the current and potential impact of the **Government's academy programme** in the local area.

iv) Governors were reminded of the **Upper Managers Awayday on 8th June** which would start to address issues for the next Strategic Plan.

v) The Principal confirmed that the **first celebration of achievement of the SFBac** would be on 21st June for the first tranche of Level 2 (BTEC) students.

1708. **Meeting Assessment**

The meeting had been useful in updating members on the actual funding position and the implications for staff in particular. Members were delighted that the college had managed at least to secure some additional funding to maintain the fabric of the college.

1709. **Date of next meeting:** Tuesday 21st June at 9.30 a.m.(following Premises Sub-Committee at 5.00pm the previous day)

The meeting ended at 12.50p.m.

Chairman

Date

NCW 12/05/11