

## STAFFORD COLLEGE CORPORATION

### **MINUTES of RESOURCES COMMITTEE, 24 NOVEMBER 2010**

Present: S Birkin (Chair), P Buttery, Cllr W D Davis, A P Davison, G M Humby,  
Lt Col S Nesmith, I Starkie, Mrs J K Tanner, S Willis

In attendance: J P Charleton (Clerk), Ms A Piercy, Mrs J Pountney, C Riding, I Rigby

Observer: G Taylor-Marshall

Apologies: Cllr M Winnington

#### **PART I**

##### 799.0 MEMBERSHIP

The Chair welcomed Lt Col S Nesmith to her first meeting of the Committee following her appointment as an Associate Governor at the Corporation meeting in October 2010.

The Chair also welcomed representatives from Barclays Corporate Team who were in attendance to update members on the College's major bank loan agreement for the Capital Project.

##### 800.0 DECLARATION OF INTERESTS

The Chair reminded members of their duty to declare an interest, financial or otherwise, in any item on the Agenda.

- Cllr W D Davis declared that as Cabinet member of Stafford Borough Council for Planning and Regeneration, he had an interest in Agenda Item 9 - Capital Project - in respect of planning permission issues.
- Mr G Humby declared that he was an employee of Sterling Power Limited.

*The next item of business relating to the Bank Loan Facility for the Capital Project was considered as a confidential item under Part II of the agenda.*

##### 801.0 MEETING HELD ON 23 JUNE 2010

(a) Minutes

**It was RESOLVED:**

**that the minutes be confirmed as a true record and signed by the Chair.**

(b) Matters Arising

Riverway Sports Pitches (minute 789.0 (b) (ii))

The Vice Principal (Resources) reported on the latest position regarding the Riverway sports pitches. Good progress had been made, with the pitches completed and in use by students from September this year. Key agreements were now in place with Stafford Borough Council and Stafford Town FC regarding the use of pitches and changing facilities.

802.0 STAFF MONITORING

Mrs J Pountney, Head of Corporate Services, presented the Annual Staff Monitoring Report for 2009/10 including sickness absence levels and personnel trends. Overall sickness absence levels had increased marginally from 3.7% last year to 3.8% in 2009/10. The College's absence rate compared favourably with the Public Sector benchmark which for 2010 was 5.8%.

A review of the staff profile during the year had shown an increase in the number of staff from a Black and Minority Ethnic (BME) background from 6.6% last year to 7.1%.

Following discussion Mrs Pountney confirmed that College Management were closely monitoring instances of work related stress, particularly in areas affected by the College's restructuring.

**It was RESOLVED:**

**that the report be received.**

803.0 DISCIPLINARY PROCEDURE FOR COLLEGE STAFF

Mrs Pountney presented the draft revised Disciplinary Procedure for College Staff which had been updated in line with the model procedure recently issued by the AoC. The procedure was currently subject to consultation with the recognised trade unions in the College.

The AoC model procedure reflected national Joint Agreements and the ACAS Code of Practice issued in April 2009. Key changes in the revised procedure included the removal of the right for staff to appeal to the Corporation against suspension.

Following discussion a number of minor changes to the draft revised procedure were suggested and agreed. Mrs Pountney also noted that minor changes had been suggested by a governor not on the Committee who had been separately consulted on the draft procedure.

**It was RESOLVED:**

**that it be recommended to the Corporation that, subject to agreed amendments, the revised Disciplinary Procedure for College Staff (other than Senior Post holders) be approved.**

*Mrs Pountney left the meeting at this point*

#### 804.0 FINANCIAL STATEMENTS

The Vice Principal (Resources) presented KPMG's draft Members' Report and Financial Statements for 2009/10 which reported a final operating surplus of £410,000 discounting exceptional one-off land and buildings revaluation adjustments.

The Financial Statements deficit for 2009/10 of £5.083 million included a net upward revaluation of the College's land and buildings following a professional revaluation of the College's land and buildings. The adjustment for those buildings with a downward revaluation was included as an exceptional charge in the Income and Expenditure Account, while the adjustment for land and buildings with an upward revaluation was included as an unrealised surplus in the Statement of total Recognised Gains and Losses.

On the balance sheet the College's net pension liability in the Local Government Pension Scheme had fallen due to better than expected returns on assets and the impact of changing the relevant inflation index from RPI to CPI.

Following discussion the Vice Principal (Resources) confirmed that these non-cash adjustments had not been included in the covenant calculations by Barclays Corporate Team in respect of the major loan for the Capital Project and would be excluded in any future covenant calculations over the period of the bank loan.

**It was RESOLVED:**

**that it be recommended to the Corporation that the Financial Statements for 2009/10 be approved for submission to the SFA.**

#### 805.0 VARIANCES BETWEEN THE JULY 2010 MANAGEMENT ACCOUNTS AND THE FINANCIAL STATEMENTS

The Vice Principal (Resources) reported on the main variances between the final forecast outturn position in the Management Accounts for July 2010 and the draft Financial Statements for 2009/10.

The major variance related to the accounting treatment for the downward revaluation of the College's land and buildings. Property strategy costs were lower than forecast due to lower consultancy costs achieved through procurement.

**It was RESOLVED:**

**that the report be received.**

#### 806.0 ANNUAL PAY AWARD

The Principal reported on the proposed annual pay award for staff other than senior post holders, noting that the AoC had recommended a 0.2% consolidated increase, or the sum of £50 whichever was the greater. The AoC pay recommendation had been accepted by all the recognised trade unions with the exception of UCU, which had advised the College that its members would be balloted for industrial action during the autumn term.

With enrolments as planned College Management believed that the nationally recommended pay award was affordable.

**It was RESOLVED:**

**that it be recommended to the Corporation that the nationally recommended pay award of 0.2% on salaries and allowances for all staff other than senior post holders be approved, payable from 1 February 2011.**

#### 807.0 CAPITAL PROJECT

Mr C Riding, Director of Capital Development and MIS, provided an update on progress with the Capital Project and highlighted the following developments:

- Planning and LBC application had been submitted on 22 October 2010 with a decision expected by mid January 2011
- OJEU tenders had been published for Architects, Project Managers, Structural and M&E Engineers and Cost Consultants
- The new Project Design Team was due to be in place by the end of November 2010
- Tenders had been issued for the construction of a new unit at Palmbourne to house the Wood Benching Workshop
- A new planning application had been submitted to extend Unit 5 at Palmbourne to house the Brick Trades Workshop
- Tenterbanks refurbishment and windows replacement had commenced on 1 November with the programme expected to be completed by April 2011

Members thanked Mr Riding for his report and welcomed the progress made on the Project.

**It was RESOLVED:**

**that the report be received.**

#### 808.0 MANAGEMENT ACCOUNTS

The Vice Principal (Resources) presented the Management Accounts for October 2010 which confirmed a forecast operating position of £426,000 slightly ahead of the budget target.

Student recruitment was ahead of target for full-time and HE learners. While part time numbers were currently below target, student numbers would continue to be monitored as the year progressed.

**It was RESOLVED:**

**that the Management Accounts for October 2010 be received and accepted.**

#### 809.0 STUDENT COUNCIL ACCOUNTS

The Vice Principal (Resources) presented the audited Student Council accounts for the year ended 31 July 2010.

The end-of-year bank balance remained healthy, if somewhat reduced from the previous year's level. College funds and the potential necessity for College grants will continue to be monitored by College Management, as previously agreed by the Corporation.

**It was RESOLVED:**

**that the Student Council Accounts for 2009/10 be received and accepted.**

#### 810.0 SUSTAINABILITY

The Vice Principal (Resources) presented the annual report of the Sustainability Group which included details of activities undertaken by the Group during the past year, detailing progress against targets in the Action Plan for the year.

Good progress had been made towards meeting AoC's sustainability targets for 2011 and those of DBIS regarding carbon reduction. The College's acquisition of new printing/ photocopying equipment had improved efficiency while a new Foundation Degree in Sustainable Communities had commenced in September 2010.

Members welcomed the report and congratulated College Management on its effective approach to Sustainability, which had resulted in significant cost savings.

**It was RESOLVED:**

- (a) that the report be received;**
- (b) that the updated Environmental/Sustainability Policy be approved.**

#### 811.0 COMPREHENSIVE SPENDING REVIEW (CSR)

The Principal presented a report to inform members of the key points in the recent Comprehensive Spending Review affecting colleges.

Although the government had identified education and skills as a priority area, the budget settlement for BIS involved above average cuts of 25% on the revenue budget. With specific protection for the Science budget unit costs reductions were expected for 16-19 education while the total reduction in FE and skills area would be 25-30%.

While the Chancellor had announced the abolition of Train to Gain, Ministers had subsequently confirmed that funding would still be available for workplace learning outside apprenticeships for small to medium enterprises. The SFA was due to publish provisional allocations for 2011/12 early next week with most colleges receiving overall funding cuts because of the plan to shift funds to 19+ apprentices.

The Principal highlighted the following commitments in the DfE Schools White Paper:

- The YPLA would be replaced by a new Education Funding Agency (EFA) which would have responsibility for funding all 16-18 provision in schools and colleges
- The disparity in funding for 16-18s in schools and colleges would be ended. This process would begin in 2011-12 and would be completed by 2015 with transitional protection for schools facing significant changes
- The participation age would rise to 18 by 2015

Following discussion members expressed concern over the impact on the College of reduced funding, especially for adults, and the withdrawal of the national EMA scheme.

**It was RESOLVED:**

**that the report be received.**

812.0 DATE AND TIME OF NEXT MEETING

Wednesday 23 March 2011 at 5.30 pm.

813.0 PART II ITEMS

Under Part II of the agenda members considered the following items of business:

- Minutes of meeting held on 23 June 2010
- Capital Project - Bank Loan Facility