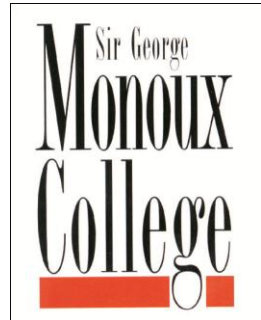


Document DPF&GP/12/10

**THE CORPORATION**

**MINUTES OF THE MEETING  
OF THE PERSONNEL, FINANCE & GENERAL PURPOSES  
COMMITTEE HELD ON 24<sup>TH</sup> NOVEMBER 2010**



**Present:**

**Ms K Clifford**

**Principal**

**Present**

**Mr T Grainger**

**Co-opted member**

**Present**

**Mr J Hedges**

**Co-opted member**

**Present**

**Mr A Morris**

**Co-opted member**

**Apologies**

**Clerk to the Corporation:**

**Mr C Bond**

**Also Present:**

**Mr D Ball**

**Dr T Street from 6.33pm until 7.10 pm**

*Minute MPF&GP 30/10 (6.33 pm)*

**Declarations of Interest**

There were none.

*Minute MPF&GP/31/10 (6.34 pm)*

**Apologies for Absence**

These were received from Alan Morris who was on business in Russia.

*Minute MPF&GP/32/10 (6.35 pm)*

**Election of Chair and Vice Chair to serve until the beginning of the Autumn Term 2011**

Toby Grainger was elected to serve as Chair of the Committee. In the absence of any other member being present and eligible for nomination the post of Vice Chair was left vacant. The committee resolved to ask the corporation to increase the strength of the committee by nominating an extra member.

*Minute MPF&GP/33/10 (6.42 pm)*

**Unconfirmed Minutes of the Meeting of the Committee Held on June 2010**

These were accepted as an accurate record of the meeting

*Minute MPF&GP/34/10 (6.43 pm)*

**Matters Arising from the Unconfirmed of the Meeting of the Committee Held on June 2010 which are not the subject of Separate Items on this agenda**

There were no matters arising

*Minute MPF&GP/35/10 (6.44pm)*

### **Staff Sickness Report**

(Document DPF&GP/13/10)

Tina Street Associate vice Principal, HR presented the report. Members noted that when two members of long term sickness were removed from the figures that the college did not have sickness absence problem and that this did not present any significant difficulties for the college. Members were pleased to note the high numbers of staff who had not taken any sickness absence in the twelve month period reported.

*Minute MPF&GP/36/10 (6.56 pm)*

### **Equalities Monitoring Report**

(Document DPF&GP/14/10)

Tina Street Associate Vice Principal, HR presented the report.

Members noted the criteria against which the college gathered data to monitor the implementation of equalities policy and legislation. Members considered data and reports relating to the following areas:

- Ethnicity of Staff
- Gender of staff and students as at October 2010
- Disabilities of staff
- Ethnicity Profiles of Academic Managers by Salary Scales and Contract Type
- Ethnicity Profiles by Type of Work
- Internal Promotions Of Staff 2007-9 By Ethnicity
- Disability (internal promotions)
- Succession Planning
- Long courses undertaken by staff, subsidised by the College 09-10
- Disciplinary/capability proceedings/grievances 09-10

Members noted that the college subjected the equality issues to the appropriately objective scrutiny, was alert to the areas in which perceived inequalities could occur and also noted that there were no substantial issues which required further investigation by the committee or the corporation

*Minute MPF&GP/37/10 (7.13 pm)*

### **Notice Period for Associate Vice Principals**

The Principal reported that the Associate Vice Principals had requested that their notice period be reduced from four months to three. The Principal noted that as the Associate Vice Principals were not senior post holders that this was not technically a matter to be decided by the Corporation. She felt that she would seek the advice of the committee before seeking to introduce any change to the notice period. She said that she did not have any objection to the requested reduction. The committee decided to recommend that the Corporation should support the Principal in the reduction of the notice period required of Associate Vice Principals from four months to three.

*Minute MPF&GP/38/10 (7.21 pm)*

### **It and MIS Achievements Report**

Document DPF&GP/15/10)

This report was presented by David Ball Vice Principal Corporate Services. The production of such a report was made at the suggestion of the Internal auditors.

*Minute MPF&GP/39/10 (7.27 pm)*

### **Year End Financial Statements 2009/10**

(Documents DPF&GP/16/10, DA/14A/10, DA/15A/10, DPF&GP/17/10 & DPF&GP/18/10)

This report was presented by David Ball Vice Principal Corporate Services.

The committee noted:

The draft Financial Statements were reviewed at the October Corporation meeting. The Committee noted one change – a £241,000 pension credit has been moved from the Income and Expenditure Account to the Statement of Recognised Gains and Losses. This is due to a ruling by the Accounting Urgent Issues Task Force on the treatment of credits arising from the change from RPI to CPI for pension upgrades.

### **Income & Expenditure Account**

The financial statements show a surplus of £81,000 (2009: deficit £31,000) after pension adjustments. The surplus used to calculate financial health (which ignores accounting adjustments for pension costs) is £192,000k (2009: £89,000).

Income fell by £49,000, almost entirely due to being funded for fewer students by the LSC.

Pay costs fell by £16,000, however pay as a percentage of income remained static at 67%. If funding falls in future years' measures will have to be taken to reduce staff costs to prevent this percentage rising above 68%.

Non pay costs fell by £419,000. The College had finished its refurbishment works in 2008/09 which reduced the summer works program. Further savings were made from exam fees, reduced catering subsidies (due to a better sales performance) and lower interest costs on the floating loan.

### **Balance Sheet**

There are no Balance Sheet issues. On-going cash levels remain between £1 million and £1.5 million (dependent on the timing of funding body cash flows).

### **Pension Scheme**

The College's share of the deficit on the Waltham Forest Local Government Pension Scheme decreased by £1k from £1.613 million to £1.612 million, according to the actuarial FRS17 review. (This deficit is for the support staff scheme only; the teachers' scheme is not valued in the same way).

The College's revenue reserves stand at just over £3.5m, but just under half of that has to cover the pension deficit.

There is no issue about funding this in the near future; the deficit is reduced over time, either by increased pension contributions or by stock market appreciation. The deficit is calculated using estimates of life expectancy, retirement ages and interest rates.

The government has committed to employer contributions for both schemes not rising any higher than they are now. Deficits will have to be dealt with by increased employee contributions and reduced benefits.

### **Overall**

Overall the College is health group 2 (out of 4) and remains in a healthy financial position.

The committee recommended that the Financial Statements are approved by the Corporation.

*Minute MPF&GP/40/10 (7.38 pm)*

### **Budget Report 2010-11**

(Document DPF&GP/19/10)

This report was presented by David Ball Vice Principal Corporate Services.

The committee noted that in the period the College produced a surplus of £103k against a budget deficit of £28k.

The £131k positive variance is made up by:

- £68k under spent on payroll; this reflects slightly lower teaching costs in the first 3 weeks of August because the College is closed, also the pay rise has not yet been agreed but if it was 2% it would add £10,000 to this cost;
- £63k under spent on non pay costs due to slow spend on curriculum consumables (large amounts had been spent in July) and in other areas;

The forecast health scores for the end of the financial year are A (under the old scoring system) and "Good" (under the new Framework for Excellence model).

Cash flow has been positive £709k in the two months (£656k in 2009/10), this is because the Funding Agencies front load payments to the College.

Pay costs are running at 65% of income; however as teaching does not take place in August this ratio would be expected to be lower than budget at this point in the year.

No agreement has been reached yet on a cost of living pay rise (which was due on 1<sup>st</sup> September 2010); the teachers have been offered 0.75%. A number of Colleges have stepped outside the Sixth Form College standard terms and have offered differing amounts.

### **Outsourced Activities**

The committee received reports on outsourced Security, Catering and Cleaning.

- **Security**

The Campus Officers are supplied by Reed. They are responsible for employment and management of the 5 Campus Officers on site.

Work schedules have been amended to use staff more flexibly and have less staff on Monday and Wednesday afternoons when students leave at 3pm.

- **Cleaning**

Cleaning has been outsourced to Accelerate Associates for 21 months. The aim was to provide expert management and also to solve issues with obtaining cover for absent staff. The standard of cleaning is monitored regularly with input from College estates staff that have to agree the grades.

Scores of over 90% have been agreed as exceeding expectations.

- **Catering**

ABM have been running the catering contract for 3.5 years. Historically the Canteen has made a loss that the College has had to subsidise.

In 2009/10 the deficit halved from £40,000 £20,000 due to an £18,000 increase in sales and a 3% improvement in the gross margin (resulting from better stock management and reduced wastage).

The budget for 2010/11 is for further improvements, however Gay Sparks has been promoted to Deputy Area Manager (though now supervises the College operation) and the quality of her replacement is vital to performance.

The committee recommended the Management Accounts to the Corporation.

*Minute MPF&GP/41/10 (7.44 pm)*

**Any Other Business**

The Principal reported on an issue which is the subject of a separate confidential minute.

*Minute MPF&GP/42/10 (7.47 pm)*

**Future Items**

Members requested that the committee receive reports on:

- Special Leave Absence
- The Impact on the college of the abolition of the Educational Maintenance Allowance

*Minute MPF&GP/43/10 (7.48 pm)*

**Date and Time of Next Meeting**

The next meeting of the committee is scheduled for February 2011.

*The meeting closed at 7.49 pm. The item relating to a former staff member raised under Any Other Business is to be the subject of a separate confidential minute.*