

**CORPORATION OF DERBY COLLEGE**  
**FINANCE AND RESOURCES COMMITTEE**



***Minutes of the meeting held in the Lees Brook Suite,  
Enterprise Park at the Prince Charles Avenue campus on  
Friday, 4 July 2008 at 9.30 a.m.***

**COMMITTEE MEMBERS PRESENT:** David Croll, Principal and Chief Executive  
Chris Perkins  
Brian Powell, Chair  
Tony Riley

**ALSO IN ATTENDANCE:** John Callaghan, Deputy Principal: Delivery and Success  
David Coates, Clerk to the Corporation  
Nigel Gell, Deputy Principal: Support and Environment  
Jon Mold, Finance Director  
Vanessa Scales, Director of Human Resources  
Heather Simcox, Senior Executive Assistant  
Angela Toon, Deputy Principal: Employer Responsiveness

**Min. No.**

**68. DECLARATION OF INTERESTS IN ANY OF THE ITEMS ON THE AGENDA**

The Chair reminded those present to declare at the start of the meeting interests held in any matter to be discussed.

David Coates, Clerk to the Corporation, declared an interest in the item concerning the fees for his services and indicated that he would withdraw from the meeting when this matter was discussed.

No further interests were declared.

**69. APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Jackie Beswarick, Tim Park and Graham Schuhmacher.

The meeting was confirmed to be quorate with four members of the Committee present.

**70. MINUTES**

AGREED that the Minutes of the meeting held on 2 May 2008 be confirmed as a correct record and signed by the Chair.

ACTION by whom	DATE by when
Clerk	4 July
Chair	4 July

Min.  
No.

**ACTION**  
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**DATE**  
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**71. ACTIONS OUTSTANDING AND MATTERS ARISING**

There were no actions outstanding and the following was raised as a matter arising from the Minutes of the last meeting.

**HR Performance Indicators (Minute No. 57 refers)**

The Director of Human Resources confirmed that future reports to the Committee would include comparisons of the College with other public sector organisations.

**BUSINESS MATTERS**

**72. EMPLOYMENT DEVELOPMENTS AND CORPORATE HEALTH PERFORMANCE INDICATORS**

The Committee received an update from the Director of Human Resources on key employment developments and workforce data. There were no concerns arising from the performance indicators and the Committee welcomed the continuing falling sickness absence rates which had reduced from 5.2% to 4.16% since December 2007. Employees from black and ethnic minority groups continued to be under-represented in the College's workforce, and management action was being taken to put in place plans to address this under-representation. Absence rates amongst staff at the prisons remained a cause for concern, with sickness absence being higher than expected at some of the College's sites. This situation was being continually monitored.

UCU remained in dispute with the College in relation to the 2008-2009 pay settlement. The AoC had increased its offer from 3% to 3.2%, and the College would be keeping a watch on the outcome of these national negotiations and its impact on the budget.

The closure of the College's Optimum IT outreach centres was progressing, and the Committee was advised that there were potentially 10-12 jobs at risk of compulsory redundancy, although the College was looking at other re-deployment opportunities and ways of mitigating this potential possibility. In addition, there were plans to bring future vacancies at the College to the attention of any individuals affected by these redundancies in the hope that some might be able to return to College in different roles.

AGREED that the report reviewing employment developments at the College and the corporate health performance indicators be received and accepted.

**73. PROPERTY STRATEGY – UPDATE**

The Deputy Principal: Support and Environment, presented a report summarising discussions which had taken place at the Property Strategy Group following the College's unsuccessful bid to acquire the former Carter & Carter training centre on Pride Park in Derby,

**Min.  
No.**

<b>ACTION by whom</b>	<b>DATE by when</b>

and the current decline in the housing market and its potential affect on any land disposal values at Prince Charles Avenue. The Property Strategy Group had discussed all these issues as they affected the College's current property strategy, although it was noted that any capital plans relating to the sale of Prince Charles Avenue were not a requirement for funding the Roundhouse development.

Current works at the Roundhouse were progressing to schedule among the current estimates of £200k overspend owing mainly to English Heritage requiring further works to the T-building. The College was looking to discuss possible funding routes for these works with English Heritage and also reduce fit-out costs in order to balance the accounts for this project.

Contained within the report was a recommendation for the Committee to approve the appointment of Kingfisher Construction Ltd. to undertake fit-out of music accommodation at the Joseph Wright Centre extension, which the Committee supported.

AGREED that:-

- a. the detailed report reviewing current discussions with regard to the College's property strategy and the progress of works in relation to projects at the Roundhouse, Prince Charles Avenue, Broomfield Hall and the Joseph Wright Centre be noted; and
- b. the appointment of Kingfisher Construction Ltd. to undertake fit-out of music accommodation at the Joseph Wright Centre extension be approved on the basis set out in the report from the Deputy Principal.

**74. EXPANSION OF PROVISION AT BRINSFORD**

The Committee received a report requesting approval for £100k expenditure on the installation of the catering kitchen with bespoke dining area to be used for vocational training purposes at HMYOI Brinsford. The report included the detailed background to the request and the financing arrangements, which the Committee endorsed.

AGREED that approval be granted for £100K expenditure on the installation of a catering kitchen and dining area at HMYOI Brinsford on the basis set out in the report.

Min.  
No.

**ACTION**  
by whom

**DATE**  
by when

**75. MANAGEMENT ACCOUNTS**

The Committee received from the Finance Director a report on the management accounts for the College at 31 May 2008. The report further reviewed the likely out-turn position for the year, which was now forecast at £226k surplus, compared with a deficit forecast of £495k at the end of March. Potential movements in the figures working towards the year-end were identified in the report, and the Finance Director was confident of a historic cost surplus being recorded for the year. The Committee was advised that the current year-end projections did not include the impact of voluntary and compulsory redundancy costs associated with the Optimum IT centre closures, and recent action taken by College management to vacate Norman House, and terminate the lease on these premises. A further report would be produced after 31 July, which would give a draft year-end position.

AGREED that the management accounts for May 2008 be received and accepted, and the Corporation be briefed on the financial position of the College at its next meeting.

**76. FINANCE DIRECTOR'S REPORT**

The Finance Director confirmed that he had nothing further to report.

**77. SOLVENCY OF MBS LIMITED**

The Committee received a report recommending a strategy to bring Mackworth Business Services Ltd. into solvency which included the College writing-off the loan to its subsidiary.

AGREED that the Corporation be recommended to approve the writing-off the loan to Mackworth Business Services Ltd. of £776k, and the sale of the fixed assets held by the company to the College for £1.

**78. BUDGET FOR 2008-2009 AND THREE-YEAR FINANCIAL FORECAST 2008-2012**

The Committee received and discussed with the Finance Director the College's draft budget for the forthcoming academic year, 2008-2009. The initial draft had provided a historic cost deficit for the year of £2.545m, which, with remedial action to reduce the result had been adjusted to £1.7m deficit. The College was continuing to feel the impact of the shift away from LSC direct funding for adults, and its switch towards employer responsive funding for NVQs in the workplace, and its consequential impact on the need for the College to adjust its workforce to meet the changes priorities. The Committee was extremely concerned about the lack of communication and early advice given from the LSC about this

**Min.  
No.**

<b>ACTION by whom</b>	<b>DATE by when</b>
Finance Director	July 2008

change, and wished the Principal to make written representations on behalf of the College to the LSC on this matter.

The adjusted deficit for the year was contingent on the College achieving break-even or surplus over the life of its 3-year financial forecast. Late notification of the allocation had delayed the College's ability to produce its 3-year forecast, which, it was agreed would be discussed by members of the Committee prior to Corporation meeting on 14 July.

Critical to the budget was the affordability of the nationally recommended pay award and its resulting impact on the pay bill, which the Committee requested College management to have early discussions with trade unions at forthcoming consultation meetings. These discussions needed to be broadened with the staff to include a package of measures to further reduce costs over the next year and in the context of the College's plans to view its staff profile and requirements with the move to the Roundhouse. There was discussion on the appointment of external consultants to assist this process, which would be managed through the HR Strategy Group.

AGREED that the confidential report reviewing the draft budget and mitigating actions for 2008-2009 be received, and the budget be recommended to the Corporation for approval.

**OTHER ITEMS**

**79. PERFORMANCE REVIEW OF THE COMMITTEE**

AGREED that the terms of reference for the Committee be brought up-to-date and presented to the next meeting for consideration.

**80. ANY OTHER ITEMS OF URGENT BUSINESS**

There were no items of other urgent business.

**CONFIDENTIAL ITEMS**

(Note: the minutes of the following confidential matters are held in separate records by the Clerk.)

**67. CONFIDENTIAL ITEMS**

AGREED that the following items of business be treated a confidential on the basis of the information to be discussed being confidential information as contained in Standing Order No. 19:

- a. Confidential Minutes of the meeting held on 2 May 2008;
- b. Remuneration of the Clerk to the Corporation.

**Min.  
No.**

ACTION by whom	DATE by when

There being no further business, the Chair thanked everyone for their attendance and participation and closed the meeting.

The meeting ended at 11.10 a.m.



D M COATES  
Clerk to the Corporation

Signed as a correct record on Friday, 26 September 2008

..... Chair