

FINANCE & GENERAL PURPOSES COMMITTEE



THURSDAY 12 JANUARY 2012

GATESHEAD COLLEGE

Report: Minutes of a meeting held on Thursday 3
November 2011

Author: Clerk to the Corporation

Action: Approve

Status: Open

Present: Keith Cann Evans (Chair)
Ivan Jepson
David Mitchell
Ian Renwick
Richard Thorold

In attendance: John Holt
Mick Brophy
Muriel Callaghan
Judith Doyle
Jackie Doxford
Gwyneth Jones

F/1513 Welcome/Apologies

Keith Cann Evans welcomed everyone to the meeting. Apologies for absence were received from Robin Mackie and John McElroy.

The Chair invited members to declare any interests on any item on the agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item result in a potential conflict of interest, this should be indicated during the meeting. Members were also reminded to advise the Clerk of any changes to be made to the declaration of interests.

F/1514 Minutes of the meeting held on Thursday 22 September 2011

The minutes of the meeting held on Thursday 22 September 2011 were accepted as a correct record.

F/1515 Matters Arising

F/1497 Plugged in Places – It was reported that discussions regarding the pensions and possible redundancy costs of personnel transferring to the new company are ongoing.

F/1516 Management Accounts: August 2011

The Director of Finance introduced the management accounts for August 2011. The accounts had been prepared prior to the main recruitment of learners and therefore revenue was estimated. Overall income was below budget, but this was matched by lower than expected expenditure.

RESOLVED to note the contents of the report

F/1517 Management Accounts: September 2011

The Director of Finance introduced the management accounts for September 2011. The accounts had been prepared on a cautious basis, resulting in a shortfall in income against budget, but with corresponding savings on expenditure. Income for the two months to the end of September 2011 totals £5,443,000 and was under budget by £1,180,000, this represents a cautious approach to the recognition of income such as 19+ and the delayed start to projects such as the transfer of Plugged in Places from ONE NE (£273,000). Expenditure continues to be under budget, with a favourable variance on pay of £302,000, with savings coming from unfilled vacancies for trainers/assessors and salaried lecturers. The changes to funding have led to the College being cautious to fill posts only when learners are in place. Non-pay expenditure is under budget by £689,000.

Overall SFA/YPLA revenue is £762,000 under budget for the year to date, this is mainly on post 19 provision. It is hoped that the position will recover over the next few months. It was noted that most of the College's partners have yet to submit their first enrolments for 2011/12 and therefore these could not be included. Overall HE revenue is in line with the budget as recruitment has been on target.

Overall expenditure for the year to date is £991,000 under budget, with favourable variances on pay of £302,000, other operating expenses of £642,000 and depreciation of £34,000. The favourable variance on pay is the result of holding a number of unfilled posts in anticipation of recruiting learners, in particular in Business Development where the College has recruited three Business Growth Managers (BGMs) and will then recruit the trainers/assessors once the BGMs have brought in the work. Depreciation is currently below budget, but will increase over the next few months as the student laptops and new facilities such as the Construction Centre Phase 2 and the Test Track come on stream.

In response to a query on whether being under budget on 16-18 Funding reflected under recruitment. The Director of Finance explained that there is currently a 2% shortfall but the College has until the end of November 2011 to catch up. In 2010 300 students had joined the College between 1 November 2010 and the end of the year. Recruitment on some programmes e.g. NEET programmes continue throughout the year. The Principal commented that Gateshead College is unusual because only a seventh of its students start in September and a significant volume of students are recruited during the year. The Director of Finance indicated that the drop in post 19 recruitment had not been as great as anticipated and it is thought that the setting up of the Gateshead College Foundation has helped to maintain numbers.

The Chair praised the performance on expenditure and asked if the College was relaxed on the shortfall in income. The Principal said that it had been the same situation this time last year and targets had been achieved; the College was confident that the same would happen again this year.

The Balance Sheet continues to remain strong and the completion of the Construction Centre Phase 2 would strengthen it further.

RESOLVED to note the contents of the report

F/1518 Curriculum Development

The Deputy Principal Curriculum & Quality introduced a high level paper which updated the Committee on recent discussions and plans to develop and grow the College's curriculum provision, in line with Strategic Objectives and regional initiatives. The developments support the Strategic Objectives of growing the College's 16-19 curriculum and providing opportunities to develop commercial income.

In order to develop on the strategy, discussions are taking place in four areas. **Creative & Cultural** – including Performing Arts, Media and Digital, where the College has big partnership support from the Sage and Dance City. **Retail & Service** – including Hair, Beauty, Catering, Retail and Leisure Management; it was noted that a commercial income in this area is possible and this would sit with the aims of the 'entrepreneurial college'. **Sport** – including Academy Development and Health Promotion; the College would consolidate its position and maximise regional and national reputation. Current developments include a boxing academy which has sparked interest from young, unemployed males. The College is promoting health/healthy mind/healthy body throughout its sites. Development of a sports village alongside the International Stadium would provide commercial opportunities and health provision around sports provision. **Landbased** – including Horticulture and Animal Care; the College does not currently offer courses in these areas because it does not have appropriate resources. Courses within this area may be attractive to students who do not want to follow courses based on traditional learning. Any development would have to be with other partners including Gateshead Council which has a national reputation for local authority horticulture.

All developments will need to consider the needs of an entrepreneurial College and have a more 'holistic approach' to curriculum delivery. Learners will develop their skills, not in 'curriculum silos' but in real learning environments in which independent and well motivated groups of learners will work collaboratively across a range of disciplines. It was noted that discussions with partners, including Gateshead Council and Gateshead Football Club, have taken place to support the initiatives.

The Chair asked if the proposed 'landbased' courses at Gateshead College would clash with the horticulture courses provided by Houghall College and Northumberland College at Kirkley Hall. The Deputy Principal Curriculum & Quality explained that both colleges focused on farming and agriculture, rather than horticulture, and attracted students from different areas. Gateshead College would be covering community gardens, horticulture and animal care. A member commented that a major study on land management and climate change had shown there was a gap in education covering sustainability and the green agenda.

Another member asked if the College was tapping into money in the National Health Service. The Principal said that sport and health were closely linked and the Sports Department were enthusiastic about the concept of the development a Sports Village at the International Stadium – Academy of Sport. Sport and Creative and Cultural have been the two major growth areas since 2008 and the College is keen to acquire the land immediately opposite the main Baltic Campus building in order to develop the college's focus on digital technologies and games design.

A member commented that the College was building on strengths in the areas of creative & cultural, retail & service and sport but felt that there was an element of risk in diversifying into the area of 'landbased' at a challenging time. The Deputy Principal Curriculum & Quality acknowledged that there are likely to be fewer

Agenda No: 2

employment opportunities in this sector but a wide range of possibilities for self employment e.g. small scale gardening, dog grooming and students would be encouraged to develop an entrepreneurial approach to find work.

The Principal expressed the view that local authorities and large scale employers would be scaling down in house resources for grounds/garden maintenance as the economic climate became more difficult. There were green areas everywhere which would need to be maintained by 'bought in' services, which could be provided by self employed gardeners/small local businesses. The development of landbased provision to meet this need links nicely with the 'entrepreneurial college'.

The Chair asked if the Sports agenda would be expanding beyond mainstream sports. The Deputy Principal Curriculum & Quality explained that Tracy Ashcroft, Head of Sport and Lewis Pendleton, Sports Academy Manager were currently looking at minority sports; ones which were not provided anywhere else in the region. The aim was to raise the profile of Gateshead College, giving it a unique selling point and especially with the Olympics taking place in London next year. The Principal commented that the concept of a Sports Village adjacent to the Sports Academy would be beneficial to the community providing commitment, health and fitness and indicated that initial discussions had already begun with Gateshead Council.

RESOLVED to note the contents of the report

F/1519 Property Strategy

The Director of Finance introduced a report which updated the Committee on the Phase 2 Property Strategy and which outlined the current development of Phase 3.

It was noted that the practical completion of the Test Track had been achieved and the project would be brought in on budget. The College had also received the full £2.5m grant aid from One North East.

Work on the Construction Centre Phase 2 continues to go well. The College has had the opportunity to apply for £100,000 from the SFA Renewal Grant Scheme to help with the cost of the fit out of the Construction Centre. A suitable scheme has been developed which currently costs £634,000 against an approved budget of £500,000 and the College is working to reduce this through value engineering and competitive tender processes.

The College has agreed the revised lease to take over the whole of the Academy building from Gateshead Council. The five rooms in the new stadium extension have also been completed and the College is waiting for the draft lease from Gateshead Council.

As part of the Strategic Plan development for the College plans have been developed to grow 16-18 and 19+ provision. Analysis of current recruitment patterns and market share in particular sectors indicates substantial growth opportunities continue to exist, in particular by focusing on the College's specialisms. In the last few years Gateshead College has invested over £80m in its estate with particular emphasis on the low carbon agenda with SASMI, the Test Track and Phase 3 of the Construction Centre.

The analysis of the College's curriculum and the market indicates that significant potential lies in the Creative Industries in particular continuing to develop our focus on digital technologies and games/application design, rather than the traditional craft

Agenda No: 2

activities. Creative Industries have grown from a turnover of £1.4m in 2007/2008 immediately prior to the move to the Baltic to £3.7m in 2010/2011. It was noted that further growth potential also lies in Hair & Beauty and Catering which have grown from £967,000 in 2007/2008 to £2,040,000 in 2010/2011. In both cases further growth is limited by the capacity of resources whilst the College's market share is still small in comparison to its main competitor. Sport is another area for continued growth, where in order for the College to consolidate its position as the largest provider in the North East the range of sports offered needs to be increased and the range of specialist facilities at the Stadium need to be updated.

The Committee was advised that the College has had preliminary discussions with Terrace Hill, developer of the Baltic Business Park, about the land immediately across the road from the main campus. It is envisaged that the project would add a further 4-5,000m² with outside social space for students and extra car parking facilities. The ground floor would be used for enterprise based activities including a commercial hair salon. The upper floors would focus on the Creative Industries with a particular emphasis on digital applications. The current space occupied by Creative Industries on the first floor of the Baltic Campus would also be released to allow other departments to grow. The total budget is currently estimated to be £14-15m including fees and VAT.

The College has begun discussions with both Gateshead Council (owner of the International Stadium) and Gateshead Football Club about the possibility of additional facilities at the Stadium – Academy of Sport. Discussions with Gateshead Council have centred around the creation of extra facilities on the land to the east of the Stadium; however, this would have to be funded by the College.

It was noted that the proposals will continue to be developed over the coming months and brought back to the Committee for consideration.

RESOLVED to note the contents of the report

F/1520 Appointment of a Sabbatical President of the Students' Union

The Director of Learner Services introduced a report which provided the background information for considering the appointment of a Sabbatical President within the Students' Union. It was noted that the Union Parliament questioned the benefits of a Sabbatical President during the Summer Term 2011; however, the Union Parliament now in session appears to be positive about the development. In preparing the report the Director of Learner Services had sought advice from the local NUS representative and had met with the two Student Governors, Aziz Kouame and Mark Taylor, who favoured a part time position.

The report outlined the benefits of a Sabbatical President post and included providing the Students' Union President with time free of studying to provide opportunity to: fulfil the responsibilities of post for better communication with all of the student body e.g. across sites, mode and level of study; liaise and communicate more routinely with College managers; act as the student representative on a range of College groups where the Learner Voice should be represented e.g. Equality Forum, Safeguarding steering group, Health and Safety Committee; establish links with students across sites and be a central point of contact for establishing and organising discussion groups across sites; and build and develop the Students' Union year on year.

Agenda No: 2

The Director of Learner Services highlighted the issues which would need to be considered before a decision could be made on whether to appoint a Sabbatical President. There was discussion on whether the role could be a part time post which could be filled by a student alongside their main studies. Members were reminded that many full time students already have part time jobs. The Director of Learner Services explained that as this would be an elected post there would be no control over who was elected to the post. Once elected the Sabbatical Officer could be removed from office only by a decision of the Union Parliament. An alternative would be for a former student to be employed as a member of staff i.e. selected for appointment, not voted into position. A staff mentor would be required to support the Sabbatical President and consideration would be needed as to whether this was a new post or whether it could be from current resource.

The Principal indicated that the introduction of a Sabbatical President is becoming very common in colleges. He explained that it is a good idea to have someone who represents the learner voice and the Sabbatical President would also be a member of the Board of Governors. The Principal expressed the view that this would be the right move for Gateshead College at the current time and the fine detail of the role is a secondary issue.

The Chair commented that to be effective the role needed to be filled by the right person. The Principal explained that it is impossible to legislate for who is to fill the role as it is impossible to determine what will happen in a student election. A member commented that a way of avoiding the issue of whether the Sabbatical Officer was a College employee would be to establish an elected post with an honorarium rather than a salaried appointment. Another member expressed the view that the voice of the whole student community needed to be part of the decision making process.

Discussing support for the post, members were of the view that in addition, or as an alternative, to a staff mentor consideration should be given to an entrepreneurial mentor to support the role. The Principal commented that there is need for the mentor to be 'independent'. There are dangers in appointing a staff mentor as this could be viewed as an attempt by the College to 'control' the Sabbatical Officer and this would defeat the purpose of the role. The Director of Finance commented that the person who becomes Sabbatical Officer will have to make a commitment to carrying out the duties attached to the role and there need to be some safeguards to prevent an incumbent from being able to draw the salary for the year without fulfilling his/her obligations. The Principal commented that the position needs to be pitched to the student community in a way which attracts the right person.

RESOLVED

- i) to note the contents of the report**
- ii) to recommend that the Board should consider the appointment of a Sabbatical President within the Students' union**

F/1521 Any Other Business

There was no other business

F/1522 Date of the next meeting

The next meeting is on Thursday 12 January 2012.