



## **Minutes of the Meeting of the Resources Committee**

**Held on Thursday 11 June 2009 at 4.30pm in the Boardroom, Lakes College**

**Present:** Joe Holliday (Chair); Mike Davidson; Damian McSweeney; Cath Richardson; Adrian Taylor (Items 1-15(c))

**In Attendance:** Karen Wilson (Director of Finance and Corporate Services), Cyril Wheat (Assistant Principal, External Relations), Joan Bayliff (Personnel Manager); Jennifer Foote and Jane Murray (Clerks to the Governors)

### **20/09 Change to the Agenda**

It was agreed that the Minutes of the last meeting be taken first, with the remaining items of business being taken in order..

### **21/09 Minutes**

**Resolved –**

- 1) That Joe Holiday be confirmed as Chair of the Committee.
- 2) That the Minutes of the meeting held on 5 March 2009 be agreed and signed as a correct record.

### **22/09 Declaration of Interests**

Mike Davidson expressed a personal interest in Item 14, this being his area of responsibility at Allerdale Borough Council.

### **23/09 Termly Report on Management Accounts**

The Management Accounts to 30 April 2009 were presented to the Committee by the Director of Finance and Corporate Services. Of note were the predictions of a healthy surplus of £293,000 and an 'outstanding' financial health grading. The Director had no major concerns with respect to current performance.

In response to questioning on the growth in staffing levels, the Committee was told that that there was work underway to consider similar measures of productivity for assessors as there were for teaching staff. However, in comparison with the other colleges in Cumbria, the staffing levels were overall much lower.

The Committee was also reassured that work was progressing on looking at more favourable treasury management arrangements where a better rate of interest might be achieved.

The Director of Finance and Corporate Services also presented the Cumbria Colleges Ltd accounts until 30 April 2009, where there was a break even position. As the purpose of the collaboration was to attract joint funding for the joint delivery of training initiatives, a surplus would not be expected.

**Resolved** – that the report go forward to the Corporation.

#### **24/09 Cumbria Colleges Ltd Termly Report**

The Principal tabled the key points from a review which had been carried out of the collaboration of the four colleges, and which had taken account of issues raised by Cumbria College Ltd (CCL) audit. Although the company had been founded to bring in business rather than generate a profit, it would be regarded by a funding body as a separate provider and could involve huge costs in respect of infrastructure and quality processes. With the loss of the 'Train to Gain' income, the benefits of a joint company were now outweighed by the financial risks.

It was therefore proposed that the company would enter a period of consolidation, where all current contracts would be honoured, but no new contracts would be taken on. Where there was the opportunity for new contracts, the colleges would agree a lead college, which would be supported by the other colleges. In this way the risk of overheads being duplicated would be diminished. The proposals would go to the Corporation Boards for the four college in June/July.

In response to questioning it was acknowledged that the four colleges would need to put in some public relations' effort to combat any potential perception that this was a retrograde step.

**Agreed** – that the position be noted.

#### **25/09 Draft Annual Revenue & Capital Budgets 2009/10**

The Director of Finance and Corporate Services told the Committee that a cautious approach to the budget, part of a 3-year rolling plan, had been adopted owing to the current economic climate. There was one update: there had been an increase in funding allocation from the Learning and Skills Council of £155,000 for 16-18 activity, which would be reflected in a subsequent report to Corporation. Cash flow looked healthy and a £371,000 surplus was currently predicted for the end of the next year.

The Committee received assurance that the liabilities under FRS17 were national accounting entries indicating actuarial loss and should not be taken into account in determining the underlying operating surplus.

It was illustrated how the College's self-assessment had reached an 'outstanding' grading, with a key determining factor being financial consistency.

**Resolved** – that the draft budget be tabled to the Corporation meeting of 2<sup>nd</sup> July 2009, together with the self-assessment scoring of 'outstanding'.

## **26/09 Learning and Skills Council Allocation 2009/10**

At the time of tabling the report, the Learning and Skills Council allocations received were as follows:

- Further Education 16-18 £4,763,003
- Adult Learner Responsive £1,844,548
- Adult 6<sup>th</sup> Month Unemployed £221,090
- 18-18 Apprenticeships £648,068
- Adult Apprenticeships £285,486
- Train to Gain £664,953

The Director of Finance and Corporate Services reminded the Committee of the additional £155,000 which had now been negotiated from the Learning and Skills Council for 16-18 year old provision, bringing the total 16-18 provision to £4,918, 003 and which would allow for an extra 46 learners.

The Committee's attention was drawn to the low Standard Learner Number (SLN): Learner ratio which has a negative impact on funding. The first ratio, determined by the Learning and Skills Council, was 0.9 owing to historic data, which took into account the then summer school provision. Following lobbying, this was increased to 1.04, but this still remains low compared to other providers in the region and to the College's current provision which stands at 1.24. Lobbying continues as the low ratio could impact on the College's ability to accept full-time learners next year.

The overall prediction for next year would see a drop in real income of 4.4% (before any inflationary increases) and work was already ongoing to mitigate the impact on learners.

The reluctance of the Learning and Skills Council to accept the current SLN:Learner ratio was discussed and it was felt likely that that widely expected savings that the public sector will have to achieve might already be having an influence.

**Resolved** – to the note the position and action being taken.

## **27/09 Risk Register Review**

The Director of Finance and Corporate Services presented an update of the risk register which was subject to formal approval at the Corporation meeting of 2 July 2009, and which would form part of the Framework for Excellence.

The Committee was reassured that liabilities for the defects to the roof and windows continued to be pursued and that funding was still being sought for new buildings for construction students, although some funding from Westlakes Renaissance had secured some additional accommodation.

In response to questioning, reassurance was also given that both the data management restructure and the implementation of audit recommendations for sub-contracting and partnership opportunities were on track.

**Resolved** – that the risk register go forward to the Corporation.

### **28/09 Termly Franchise Report**

The Assistant Principal, External Relations, presented an update on the provision of services through subcontractors. There had been some radical changes of late to the way in which this provision was managed. A staff restructure had made provision for a dedicated member of staff to manage the contracts. Tracking procedures were already much better.

Disappointment was expressed that a contract to provide Business Improvement Techniques training had been turned down as a result in the changes to funding this year from the Learning and Skills Council (Minute 29/09).

In response to questioning, the Committee was told that day-to-day working relationships with the sub-contractors were good, in spite of the competition that existed between training providers locally.

**Resolved** – that the report be noted.

### **29/09 Franchise Request**

This item was withdrawn owing to the anticipated changes to funding in 2009/10.

### **30/09 ICT Strategy & Capital Spend**

The Assistant Principal, External Relations, responded to a request from the Committee for a breakdown of ICT Capital Spend. It was felt that there was a good balance in the spend, which was targeted towards the 'learning experience', with which the Committee concurred.

Additionally, a whole college ICT review was to take place, with the assistance of a graduate under the knowledge transfer partnership with the University of Cumbria. The graduate would work with the Head of ICT to carry out the review. The funding agreed through the partnership would mean that the College would only have a net expenditure of £6,000.

Some discussion followed on the appropriateness of a recent graduate undertaking a review in comparison with a more experienced consultant. It was felt, however, that the graduate would be under close supervision from experienced staff and that this way forward presented the best value for money.

**Resolved** – that the report be noted.

### **31/09 Termly Facilities Management Report**

The Director of Finance and Corporate Services paid particular attention to the Health and Safety statistics in the report. As there was a policy, as a precautionary measure, of taking students to hospital, there was a higher incidence of reporting accidents under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) than might be otherwise expected. The Committee noted that the Learning and Skills Council had recently praised the College for its swift and full reporting. Attention was also drawn to the staff stress survey results which compared well to the national picture.

The Committee agreed that they now had a comprehensive picture of health and safety reporting and felt that with the number of students and members of the public which the College had, the overall performance was good.

More generally, the savings from joint procurement of £24,000 to date were noted, as were the recent achievements of the Activzone.

**Resolved** – that the report be noted.

### **32/09 Pay Award 2009/10**

The Personnel Manager updated the Committee on the progress of negotiations for the 2009/10 pay award. The Association of Colleges had carried out a survey of all Colleges, following which they felt unable to move from their original position of a 1% pay rise on all salaries and allowances, which had taken account of the Retail Price Index and the current difficult economic circumstances.

In response to questioning, the Committee was advised that employees locally tended to follow the national line on pay negotiations.

**Resolved** – that the report be noted and developments monitored.

### **33/09 Minutes of the Joint Staff Consultative & Negotiating Committee**

The Committee received and noted the minutes of the meeting held on 12 February 2009, and were pleased to note that there was a growing and good relationship between Unions and management.

### **34/09 Staff Grievance & Disciplinary Procedures**

The revisions to the staff grievance and disciplinary procedures had taken account of the repeal of the three step statutory procedures in April 2009 and followed the Advisory, Conciliation and Arbitration Service (ACAS) code of practice. These had been agreed with the Unions.

The delegated authority for Appeal against Dismissal was questioned by the Committee and it was agreed that it was only in the cases where both the Principal and Vice Principal had already been involved in a case that a Committee of Governors would hear an appeal.

**Resolved** – that the procedures be approved.

### **35/09 Flexible Working Procedure**

Revisions to the Flexible Working Procedure in light of changes to legislation were noted by the Committee. These had been agreed with the unions.

### **36/09 Staff Development Report**

The Personnel Manager reported a 2% increase in the proportion of good and outstanding teaching (80%). Inspectors had also been quoted as noting “a passion for teaching and learning throughout the college which is contagious.”

Innovations had included a staff/learner speed-dating event as part of the staff development day in February, to gain insight into their perceptions of the service offered. This had been well received and contributed to quality improvement actions and incorporated into department operational plans.

The success of the modern apprentice scheme, both for the individuals and the college, was noted.

**Resolved** – that the report be noted.

### **37/09 Pay Policy**

The purpose of the pay policy was to provide greater transparency and clarity for staff following the implementation of changes as a result of the modernising pay arrangements. It was acknowledged that a lot of work had gone into the revised framework, which again had benefited from good relations with the Unions.

The Committee questioned whether if there was not a time limit to the terms and conditions of staff who had been TUPE transferred and were advised that owing to recent changes to legislation, that it was no longer possible to place time limits on the terms and conditions.

**Resolved** – that the Policy be adopted.

**The meeting closed at 7.10pm.**