



MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

Held on Thursday 5th March 2009 at 4:30pm in the Boardroom, Lakes College

PRESENT: Damian McSweeney, Cath Richardson, Adrian Taylor.

APOLOGIES: Mike Davidson

IN ATTENDANCE: Karen Wilson (Director of Finance and Corporate Services), Cyril Wheat (Assistant Principal, External Relations), Joan Bayliff (Personnel Manager) and Hilary Hemm (Clerk to the Governors)

01/09 APPOINTMENT OF CHAIR

Members were required by the Standing Orders to appoint a Chair for the committee at this meeting. As two members were absent, Damian McSweeney was appointed to chair this meeting only with a longer term appointment to be made subsequently. The meeting agreed that the other members be approached with a view to securing an appointment of Chair on a long term basis from one of those members. *(Note: Joe Holliday has since agreed to be Chair)*

Before the main business of the meeting the Chair noted the excellent result this week from the Ofsted Annual Monitoring visit and requested that this committee's congratulations be recorded.

02/09 DECLARATIONS OF INTEREST: There were none.

03/09 CONFIRMATION OF MINUTES

The Committee received the minutes of the meeting held on 27 November 2008.

The Personnel Manager informed members that she had investigated the turnover of business support staff noted at minute 34/08. There was no clear trend identifiable. Staff had moved on for a variety of reasons.

RESOLVED that the minutes be approved as an accurate record and signed by the Chair.

04/09 STAFF DEVELOPMENT TERMLY UPDATE

The Personnel Manager presented this comprehensive report. She highlighted the recent appointment of three additional Teaching and Learning Mentors, the increased use of ICT equipment by staff and the usefulness of collaboration with other colleges in developing good practice. The Ofsted visit feedback had noted the high calibre of staff and that they were working together well.

In response to queries she confirmed that full time staff were expected to complete at least 35 hours of CPD annually. Whereas past reports had included statistics on total number of days spent on staff development, this data was no longer included as it was felt it did not add value. The emphasis was now placed on the impact of the staff development delivered. She and the Assistant Principal, External Relations were working on a scheme to measure the developmental

improvement gained by each employee. The amount of funding allocated to staff development was set when the College annual financial plan was agreed.

RESOLVED that the contents of the Report be noted.

05/09 JOINT STAFF CONSULTATIVE AND NEGOTIATING (JSCN) MINUTES OF 2 JUNE 2008

The Personnel Manager presented these minutes and explained that the Single Equality Scheme referred to a combined equality scheme covering race, disability, sex and other forms of discrimination. It was available on the College website.

The minutes were noted.

06/09 STAFF MATERNITY AND ADOPTION PAY AND CONDITIONS POLICIES

The Personnel Manager introduced these two policies which had been revised after consultation with the JSCN. The main changes were the addition of entitlement to annual leave during Additional Maternity Leave, the inclusion of the line manager in the maternity leave meeting and the use of the flexible working procedure for a parent seeking to return to work on different terms. The Adoption Policy mirrored the Maternity Policy.

RESOLVED that the Maternity and Adoption Policies be approved.

07/09 COLLEGE STAFF RECOGNITION AND REWARD SCHEMES, POLICY AND PROCEDURE

The Personnel Manager introduced these new schemes which had been developed as a result of staff feedback, and which fulfilled a KPI target for the year. She sought endorsement of the two documents so that they could be implemented immediately.

It was important to recognise and motivate staff. The schemes were discussed in some detail and the Principal undertook to follow up a suggestion that students be more involved in nominations for awards for teacher / trainer of the year and in giving feedback generally on teaching. Course reps should play a part in that. She also undertook to review how recognition of staff was publicised so that individuals were shown to be valued and also so that line managers could identify how their departments were performing and as a means of keeping the drive for improvement to the forefront of activities. It was agreed that it would be valuable to monitor achievement more frequently than once a year.

RESOLVED that the College Staff Recognition and Reward Scheme Policy and Procedure be approved.

08/09 STAFF PAY AWARD 2009-2010

The Personnel Manager reminded members that the national award had been paid to staff in November salaries, together with the appropriate bonus also approved by the Corporation in September. A number of colleges had not yet implemented any pay deal for 2008/09 and as a result there was an ongoing campaign by the unions which had not affected this college.

The joint unions had not yet submitted a pay claim for 2009/2010 nor had the Association of Colleges (AoC) issued its affordability survey to all colleges. It was due in mid-March. This made predicting the pay budget for next year extremely difficult especially in the uncertain

financial climate. The Director of Finance and Corporate Services confirmed to members that a provisional budget for 2009/2010 had been drawn up allowing for a 2.5% pay award. It was hoped to have a clearer indication of the claim by May.

RESOLVED that the contents of the Report be noted.

09/09 MANAGEMENT ACCOUNTS TO 31 JANUARY 2009

The Director of Finance and Corporate Services took members through her report and the Income and Expenditure sheet to 31 Jan 2009 in some detail. The new LSC funding regime meant that College was only paid once work had been done. Performance against targets was good. Apprenticeships were behind schedule but against the national profile the college was doing well. College was well above its original income target. Tuition fees were slightly down and while the LSC had been pushing for students to pay their own tuition fees, in fact various government initiatives meant that many fees were still met by the LSC. There was an overspend on staffing costs but those additional staff were needed, largely in the “employer-responsive” areas of work and in the sales and marketing departments.

In response to a query she confirmed that the great percentage of staff posts were filled and that vacancies advertised were often for additional staff or to build up a pool of suitable staff.

Of the two non-pay expenditure items shown to be under pressure in the Income and Expenditure Sheet, Franchise provision was showing a balancing income received and Depreciation was calculated more accurately than the budget figure due to the fixed asset software implementation. Cumbria Colleges Ltd management accounts to 31 December 2008 were also annexed. They were being monitored closely at present.

In summary the Balance Sheet was strong, the College had good cash resources, cashflow was healthy. She informed members that funds had not yet been transferred to Barclays Wealth management as she was still seeking assurances on where the funds would be placed.

In response to a query regarding the situation for apprentices, it was explained that employers had to have the apprentice / student on their books as an employee and pay them at least £80wk. This was proving challenging for local small businesses in the current climate and College had worked with a number of student apprentices near the end of their courses to enable them to complete their qualification. To date it was the motor industry which had shown the most pressure locally. College was doing all it could to assist and was also leading by example, with three internal apprentices just completing their courses.

RESOLVED that the contents of the Report be noted.

10/09 FINANCIAL PLANNING 2009/10

The Director of Finance and Corporate Services reminded members that the rolling three year plan and annual budget would be submitted to the summer meeting and therefore her report now outlined the planning assumptions being used in development of the plan.

She also sought the Committee’s recommendation for the first stage of the capital budget to the Corporation. Her report contained an annotated list of proposed capital projects which were discussed in detail. Members discussed various possible schemes for enforcing the use of ID cards and where in College ID card readers should be placed. In answer to a query, the Director of Finance and Corporate Services indicated that very little funds are recovered for redundant

equipment and that many of the items not recommended for funding by the Executive fall under a revenue (rather than capital) heading as teaching resources.

Members considered at length the weighting of IT capital spending against the rest of the capital spend. It was important to be responsive to student and staff needs, the weighting had probably been the other way in recent years and there was some counter-balancing action in these proposals. Having regard to further development, it was agreed that staff may not always be planning far enough into the future when making capital bids. The Director of Finance's view was that it was prudent to make this the starting point, with the allocation of any additional capital commitment to be reviewed at a later date in the year.

The Director of Finance and Corporate Services also reminded members that there was no reference in this paper to the proposed construction unit build and some capital may be required for that, too.

RESOLVED that the proposed assumptions for financial planning be accepted and that the proposed capital investment of £325,179 be recommended to the Corporation.

11/09 STUDENT PRIZE FUND

The Director of Finance and Corporate Services presented the accounts for this fund which was little used and which arose from a legacy left some years ago.

RESOLVED that the contents of the Report be noted.

12/09 FEES POLICY 2009/10

The Director of Finance and Corporate Services presented her report and sought the committee's approval for the proposed fees policy for 2009/2010.

The key change to last year was the LSC guidance to increase fees charged to students to 47.5%. She set out the history of the College's fee policy in recent years and reminded members of the LSC target and actual performance on fee income for the current year. Other proposed changes to the policy were also set out in detail. It was noted that other Cumbrian colleges were following similar policies, with Lakes College probably charging the lowest fees for FT adult students.

In response to queries she confirmed that College does have a hardship fund which is used where appropriate to assist. It was difficult to monitor the effect of an increase in fees on recruitment numbers; the aim was always to retain those students who had registered. There were many ways in which students could be supported or provided (for instance) with a remission on their fees. In recognition of the current economic climate there was a policy to deal sympathetically with the effect of redundancy or threat of redundancy on a student's ability to pay.

RESOLVED that the Fees Policy for 2009/2010 be approved.

13/09 RISK REGISTER REVIEW

The Director of Finance and Corporate Services presented her termly report which showed changes and additions relevant to this committee. She was reviewing her method of reporting

on this following discussions held at the last Audit committee meeting. She highlighted the following particular risks at this time:

The LSC monitoring of College activity by the use of the Framework for Excellence faced an uncertain future and the situation was being followed closely the College. It was also addressing issues in the LSC reporting mechanisms.

While collaboration was extremely important, Cumbria Colleges Ltd (CCL) was going through a difficult period with many staff changes at senior level. Nonetheless it was seen to be critical to the collaboration process and it was essential that it was robust and well-managed. It would be monitored closely by all four colleges.

Sub-contracting and partnership opportunities and processes were being reviewed and were to be the subject of an internal audit in the near future.

The ongoing dispute regarding faulty windows and roof on the College building was progressing slowly. College solicitors were advising on the claim and some windows were to be tested over the Easter break in an effort to reach a possible solution.

RESOLVED that the contents of the Report be noted.

14/09 LSC MAIN CONTRACT PERFORMANCE

The Director of Finance and Corporate Services reported on contract and activity levels to date on the LSC contract. Financial performance was set out in the management accounts. College had been notified in November that it could not run a summer school similar to last year and was working on the impact of this decision. The aim was to manage the balance between learner numbers and Standard Learner Number (SLN) targets, thus ensuring a funding allocation in balance. The historical LSC funding allocation calculator did not allow for changes in focus of work and this would need careful monitoring.

RESOLVED that the contents of the Report be noted.

15/09 CCL ANNUAL ACCOUNTS TO 31 JULY 2008

The Director of Finance and Corporate Services presented these accounts which had been drawn up by Dodd and Co, who were also Lakes College's external auditors. The accounts were included here for information purposes. A quarter of the turnover was attributable to Lakes College. The aim was not to incur a surplus as this created tax difficulties. The Train to Gain contact had now been allocated to individual colleges and that had created difficulties for CCL in the current year.

RESOLVED that the accounts be noted.

16/09 CCL TERMLY REPORT

The Principal spoke to this report which indicated that there were currently high risk difficulties with the company. The four college Principals and Business Development Managers had worked on consolidating existing CCL contracts. Where there were gaps in the ability of CCL to fulfil contracts, they had been offered back to the LSC. The withdrawal of the Train to Gain funding from this company had had a destabilising effect and the temporary appointment of an interim

CEO had not been successful. In addition an application to bid for ESF funding had been rejected.

Strenuous efforts were being made to stabilise the situation. There was to be a Board meeting in mid March.

RESOLVED that the contents of the Report be noted.

17/09 SUB-CONTRACT PROVISION

The Assistant Principal, External Relations presented his report which provided a summary of 2008/09 activity, informed the committee of pending audits and sought approval for two new sub-contractor arrangements for the current year.

Sellafield had originally agreed to provide 328 learners but to date approximately 50 had been enrolled. There was therefore a large shortfall in this contracted provision. His report set out a summary of targets and actual value of those contracts in place to date. He also set out the figures of Individual Partner Activity to date on each contract. Style Training had not achieved their targets to date and were being monitored closely. Learning Curve, the contract approved in January, had not yet commenced delivery but work was ongoing with them. It was anticipated that the value of the contract would be £100,000.

In order to deal with the shortfall from the Sellafield contract it was proposed to re-allocate some learner numbers to existing contractors as set out in his report. He was confident that those who had received increased numbers did have the capacity to deliver on the contracts and if approved, the revised figures would be submitted to the LSC. He also proposed and sought approval for two new agreements with new contractors, AD Group and TASC. TASC would take on some of the Sellafield qualification training. AD Group operate in the N Lancs area and would be closely monitored in view of the higher risks that out of area work entailed. The value of these two proposed contracts was TASC £64,000 and AD Group £60,000.

He confirmed that robust risk management and review arrangements were in place.

RESOLVED that the report be noted and that the proposed sub-contracts with TASC and AD Group be approved.

18/09 FACILITIES REPORT

The Director of Finance and Corporate Services presented this report on behalf of the Facilities Manager. The report detailed aspects of Facilities responsibility over the period 1 September 2008 – 31 January 2009. Members queried the level of RIDDOR incidents recorded in the year and whether it would be possible to track progress on these over a period of time. She undertook to include a definition of the classification of RIDDOR incidents as applied to an FE establishment/students in the next report and emphasised that if anything College was extra careful in dealing with any incident, preferring to refer those injured to hospital for a check up rather than simply dealing with the incident on site. The LSC recent assurance for Health and Safety had been “excellent”.

ENTO training for staff was high and ensured that College was well placed to deal with workplace assessments as a result. The report on Room utilisation showed improved usage. Construction Unit 2B was now operational. Activzone was busy with increased activity. Sustainability was improving.

RESOLVED that the contents of the Report be noted.

19/09 CONSTRUCTION SKILLS CENTRE

The Director of Finance and Corporate Services presented this report which detailed progress to date on the College plan to redevelop the construction workshop facilities. The current facilities were “tired”, did not meet current aspirations and were operating at capacity. There were timely links between the College plans, the drive for an Energy Coast Campus, for links to other education providers, for the need for local training to meet local needs, other Lillyhall developments and the drive for sustainability.

Obtaining funding was critical for the progress of this project. A number of funders had committed informally to the estimated costs and they were listed in her report. Following a Ministerial Statement on FE capital bids issued this week, it was thought highly unlikely that any funding would be forthcoming from the LSC. Therefore the funding structure would have to be established bearing this in mind.

A consultant’s report setting out various possible sites for the project was attached to her report. The estimated cost of £8m was for the building alone. Acquisition of land would increase the total cost. She explained that the current construction units were mainly leased properties and there was therefore little value to be gained from vacating them. It was anticipated that some would be retained at this stage in any event.

RESOLVED that the contents of the Report be noted.

The meeting closed at 7:00pm