



MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

Held on Thursday 6th March 2008 at 4:30pm in the Boardroom, Lakes College

PRESENT: Graham Kennedy, Damian McSweeney, Cath Richardson, Neil Smart, Bill Southward, Clare Gray and Mike Davidson

APOLOGY: Joe Holliday

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

In the absence of the Committee Chair (Joe Holliday), Graham Kennedy was appointed to chair this meeting.

DECLARATIONS OF INTEREST: None

01/08. CONFIRMATION OF MINUTES

The Committee received the minutes of the meeting held on 29th November 2007.

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

02/08. UPDATE ON 2007/08 PAY AWARD, MODERNISING PAY ARRANGEMENTS AND THE 2008/09 PAY AWARD

The Personnel Manager reported that both the 2007/08 pay award and modernising pay arrangements had been fully implemented and that the possible industrial action had not taken place. However, in view of the UCU's current stance, there were likely to be difficult national negotiations for 2008/09 as outlined in her report. Colleges were awaiting the outcome of legal advice being sought by the AoC on the UCU's "advance" notice of possible industrial action ballot. A realistic affordable offer would be 3%, with College aiming for 2.5%. In response to committee queries, the Director of Finance and Corporate Services confirmed that budget planning took the pay negotiations into account and that budget recommendations would be referred to the June Corporation meeting by which time the picture on those negotiations should be clearer. There had not been government intervention in FE pay negotiations in the past.

RESOLVED that the contents of the Report be noted.

03/08. STAFF DEVELOPMENT TERMLY UPDATE

The Personnel Manager took the committee through her report, highlighting the key points. Staff development in Teaching and Learning was showing good results. Registration for teachers with the Institute for Learning should be

completed on time. Training advisers were included in this programme. College was using ITQ qualifications for staff in order to improve both individual ICT skills and also benefit their work team. She also outlined the changes being made to the learning environment and of the online resources being made available to students and also to employers, including the use of VME (Virtual Management Environment). After some discussion it was agreed that all Corporation members should have a demonstration of "Moodle" at a time to be arranged in the summer term.

RESOLVED that the contents of the Report be noted.

04/08. LOCAL GOVERNMENT PENSION SCHEME UPDATE

The Personnel Manager reported that changes to this scheme come into effect on 1st April 2008 but that guidance and information on what was to happen had been issued late so that she was unable to give a detailed report at this stage. HR officers were working in collaboration on this but a joint policy was not yet available. The impact would be that individual employees would have different rates of contribution depending on their pensionable pay. This change was not expected to impact directly on the cost to the college but the three yearly actuarial valuation indicated an increase of approximately .5% in employer pension contributions. She would provide a further report and seek endorsement of the new policy at the next meeting.

RESOLVED that the contents of the Report be noted.

Joan Bayliff left the meeting

05/08. MANAGEMENT ACCOUNTS AND FINANCE UPDATE

The Director of Finance and Corporate Services presented the management accounts to 31st January 2008 and gave an update on financial performance in the year to date together with a forecast position for the year.

The College's finances were very strong and targets for the year should be achieved. There had been a great deal of activity regarding employer engagement, much of which would show up next year. There was an underspend on the pay budget, where provision had been included to cover the recruitment of additional staff had they been needed. There followed a discussion about recruitment of staff and generating the student income to cover this and of the various external contacts and possibilities for additional employer engagement being worked on at present. The LSC had also awarded College an additional £125,000 within the last week. She referred members to the figures for contract performance and noted that College was over-performing on the FE and Work based Learning contracts, which showed a big improvement on last year. The College's financial health had been self-assessed as category B but it was anticipated that a formal grading of category A would be made in the near future.

CCL accounts showed a marginal loss but there should be a surplus by the end of the year, the loss shown being due to the timing of the report in the year's activities. The additional spending on IT previously approved was now underway.

RESOLVED that the contents of the Report be noted.

06/08. FEES POLICY 2008/09

The Director of Finance and Corporate Services presented her report on the proposed fees policy and highlighted the key changes. The LSC now expect the individual or employer to fund a greater proportion of adult training costs, with the proportion increasing each year and moving towards a learner contribution of 50%. For 2008/09 the figure was 42.5%.

It was proposed that College charge the LSC recommended fee presumption of 42.5% on all except full time adult and some higher level LSC funded courses. The proposed new fee for full time adults of £250 was less than was charged at the two colleges in the south of Cumbria. Carlisle had not yet set its rates. There followed a discussion about the need to meet LSC targets and recruit adult students while setting the fee levels so as not to cause a reduction in business. 42.5% was a large sum for an employer to find especially if they had a number of their workforce on training courses. Conversely, from an individual adult student's point of view, the fee was not high. It was emphasised that for students on low incomes there were schemes available to help them and College does what it can to assist both students and employers to find the best funding method.

The Director of Finance and Corporate Services confirmed that College was aiming to increase HE student numbers and increase that funding stream by re-structuring fees. For LSC work there was a need to hit targets and maximise numbers whilst also increasing fee income.

RESOLVED that the proposed 2008/09 fee policy be approved.

Neil Smart left the meeting

08/08 FINANCIAL PLANNING 2008/09

The Director of Finance and Corporate Services took the Committee through her report and the assumptions made in preparing the financial plan.

She highlighted the £120,000 provision for a covered workshop area to be built in the construction training area. This had been requested by curriculum staff and would give trainees an experience of working outdoors but with some weather protection. Members had visited the site prior to the main meeting. The proposal was for a basic work area with power for lighting but no other services being provided. The building may be developed further at a later stage. Following discussion on the pros and cons of putting all services in at this stage she undertook to investigate the additional costs this would entail and report back. A detailed summary of capital bids was not yet available but an "in principle" agreement to a £300,000 capital budget was sought. Turning to the other financial assumptions made, a surplus of 3% had been budgeted for. This was required to enable College to have sufficient reserves and to assist with its financial grading. She reassured members that the LSC allocation of revenue funds would not be affected by a surplus; in fact LSC required that a surplus was shown to indicate a strong financial standing.

RESOLVED that the assumptions listed be accepted and that the proposed capital spend be approved and referred to Corporation.

09/08. RISK REGISTER REVIEW

The Director of Finance and Corporate Services provided the Committee with the main details of the review of the risk register.

A strategy was being developed for the development of CCL and to review the scrutiny and governance functions of the company.

The new IFL registration of teaching and academic staff would ensure good quality staff.

The funding formula would change in 2008/09 and she anticipated a small gain but the full details of the new formula were not yet available.

The tracking and recording of student progress was noted here as there was a pilot in place to use the new virtual management environment (VME) previously discussed to do this.

RESOLVED that the contents of the Report be noted.

10/08. CUMBRIA COLLEGES LIMITED ANNUAL ACCOUNTS TO 31 JULY 2007

The Director of Finance and Corporate Services took the Committee through these accounts which showed a small surplus of just under £40,000, split equally between the four colleges. There were clear benefits to the College of working with CCL in terms of enabling the College to be involved in county-wide contracts and get other funding such as the Train to Gain contract. The aim was to keep the surplus payable to individual colleges reasonably low in order to minimise their liability to Corporation tax. Each college additionally benefitted from delivery of county-wide contracts within the college's own books.

11/08. FRANCHISING ACTIVITY

The Assistant Principal, External Relations took the Committee through the details of his report. Franchising work was a useful method of reaching contacts in new areas. Thus College works with another provider who delivers the training with College overseeing issues such as quality and academic matters, and with funds being allocated accordingly. The providers could provide skills and expertise which Lakes was not in a position to provide. He confirmed that the LSC restricts the level of franchise activity which a college is permitted to enter into. For Lakes this is 6% although the LSC had indicated some flexibility with this percentage if the provision is required to meet local needs.

RESOLVED that the contents of the Report be noted.

12/08. FACILITIES MANAGEMENT

The Director of Finance and Corporate Services presented this report on behalf of the Facilities Manager. She reviewed the accident statistics. In response to a committee enquiry on work placement accountability, she confirmed that it was the College's responsibility to check that there were satisfactory health and safety arrangements at a workplace before a student was sent there on a placement. Once there and assuming the student was not being supervised by college staff, then it was the employer's responsibility to ensure the safety of all including students on placement. This was made clear to all students and employers.

The report also referred to staff training and in fact the ENTO unit D training listed was to train staff to check health and safety at external placements.

On Estates and Premises, she sought the Committee's approval to the renewal of the leases on two construction units on the terms set out in the report.

Finally, she reported that there had been a compulsory purchase order served in respect of verge fronting the A595 which belonged to the College and which had been compulsorily acquired as part of the Distington bypass works. Legal advice had been obtained throughout the negotiations and the LSC had been informed but in view of the small area and value of land involved, they did not require any further action. Corporation approval was required for this disposal.

In response to a Committee enquiry, she undertook to follow up a complaint that the college bus shelter floods in heavy rain and needs either a drain installed or the standing area to be raised slightly.

RESOLVED that the contents of the Report be noted, that the renewal of the leases for Units 1 and 3a be approved and the disposal of land as above be agreed.

The meeting closed at 6:15pm