



## MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

Held on Thursday 12<sup>th</sup> June 2008 at 4:30pm in the Boardroom, Lakes College

**PRESENT:** Graham Kennedy, Paul Pharaoh, Cath Richardson, Bill Southward and Gerald Hume (from item 15/08)

**APOLOGIES:** Joe Holliday, Mike Davidson, Mau Craze-Gray

**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.

**13/08 DECLARATIONS OF INTEREST:** None

**14/08 CONFIRMATION OF MINUTES**

The Committee received the minutes of the meeting held on 6<sup>th</sup> March 2008.

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

*Gerald Humes joined the meeting*

**15/08 UPDATE ON THE 2008/09 PAY AWARD**

The Personnel Manager referred to her report and noted that the initial union demand for 2008/09 had been high and had been followed by strike action, preempting the first meeting with the AoC. Staff had taken strike action at the College but there had been no major disruption to activities. The AoC had initially recommended a pay award of 2.5% and then at a meeting on 5<sup>th</sup> June had offered 3% payable from 1<sup>st</sup> October 2008, subject to the threat of strike action on 9<sup>th</sup> June being withdrawn.

That offer had been rejected by the unions and strike action took place (although not in this area). The next national pay negotiation meeting was scheduled for 19<sup>th</sup> June.

The Principal would update the full Corporation on the current situation at their meeting on 26<sup>th</sup> June. The Director of Finance and Corporate Services confirmed that the budget for 2008/09 had taken a pay increase into account.

In response to committee queries regarding college lecturers seeking to have pay parity with school teachers, it was noted that school teachers had been offered a pay increase of 2.5% in the current year. The UCU would argue that this was not enough for lecturers and it was anticipated that the negotiations would continue. The pay disparity would become more obvious with the increase in joint teaching between schools and colleges, particularly for the specialised diplomas in the coming year. The Government had committed to narrowing the gap between the two and members expressed some sympathy with the union / staff stance on this.

**RESOLVED** that the contents of the Report be noted.

## **16/08 STAFF DEVELOPMENT TERMLY UPDATE**

The Personnel Manager took the committee through her report on staff development during the Spring Term. She highlighted that a variety of methods were being used for this. Staff development was key to the renewal of the College's Investors in People (IIP) membership.

Lakes College was working with Kendal College on training in order to support staff in dealing with student behaviour.

**RESOLVED** that the contents of the Report be noted.

## **17/08 JOINT STAFF CONSULTATIVE AND NEGOTIATING (JSCN) MINUTES OF 3 OCTOBER 2007 AND 20 FEBRUARY 2008**

The Personnel Manager presented these minutes. The Director of Finance and Corporate Services reported that there were good relations with staff at these meetings. In response to a query it was confirmed that issues on pay are referred locally to the JSCN and that to date national advice has been followed.

The minutes were noted.

## **18/08 AMENDMENTS TO HR POLICIES AND PROCEDURES**

The Personnel Manager presented all four policies and procedures set out below:

### **(i) Travel and Subsistence**

The Personnel Manager reported that a benchmarking exercise on travel costs had been carried out with other colleges and also with Inland Revenue mileage allowances when formulating this proposed new policy. Subsistence payments had also been updated. The general aim had been to make the process more transparent and simpler to administer.

In response to queries about a workplace travel plan, car sharing and other schemes she confirmed that enquiries were being made into implementation of a cycle to work scheme, but that it had implications for facilities (showers, storage etc). Informal car sharing did take place and staff travelling away from college on business were expected to share cars where practicable. The latter was monitored by personnel when dealing with travel claims.

### **(ii) Capability of Staff**

Review of this procedure was part of the ongoing review of all procedures. It had been changed to bring it in line with the 3-step disciplinary procedure and also to ensure good links with teaching and learning procedures. The aim had also been to involve line managers more in the process and to make it more user friendly. In answer to a query she confirmed that the amendments were in line with AoC advice. She confirmed that where appropriate the necessary consultation would take place and amendments made to employment contracts.

### **(iii) Positive Attendance**

This new policy showed a change in emphasis with the aim of highlighting the positive aspects of attendance. Various methods of doing this, such as "praise letters" and entering staff into a draw were being trialled. Attendance would also

be noted in performance reviews. The Personnel Manager reported that managers have attended training on absence and stress management.

**(iv) Sickness Absence Management Procedure**

This procedure had been drafted by a working group with the aim of making it more user friendly and of formalising practice which already happened but which had had no formal reference point to date. It distinguished between short and long term absence. Although short term absence had been targeted and had improved, College sickness figures overall were still high. The “Bradford factor” referred to in the procedure related to a formula for number of episodes off sick multiplied by the number of days taken. It therefore linked patterns of absence and by using the updated HR database, staff would be able to monitor absence better.

**RESOLVED** that the amended and new policies and procedures be noted and approved.

**19/08 LOCAL GOVERNMENT PENSION SCHEME UPDATE**

The Personnel Manager reported that joint collaborative working on this scheme had been very useful, using particular HR expertise across the four colleges. There had been little feedback from staff on the changes, which had been notified to all. She confirmed that contributions were on a sliding scale depending on FTE salary. The Director of Finance and Corporate Services confirmed that there would be an annual review of pension contributions to ensure they matched the college liability.

**RESOLVED** that the policy and procedure be endorsed.

**20/08 INVESTORS IN PEOPLE (IIP)**

The Personnel Manager provided information on the IIP renewal assessment, which would take place from 23 – 25 June. Two governors would be interviewed along with some 35 staff from across all parts of the college. She planned to use the assessment to seek the assessors’ advice on HR aspects of the College plan to move from good to great.

**RESOLVED** that the position be noted.

*Joan Bayliff left the meeting*

**21/08 MANAGEMENT ACCOUNTS AND FINANCE UPDATE**

The Director of Finance and Corporate Services presented the management accounts to 30<sup>th</sup> April 2008 and gave an update on financial performance in the year to date together with a forecast position for the year.

She reported that the College was performing well financially with a £.5m surplus forecast for the year.

Income was slightly down on the budgeted figure but very stretching targets had been set, especially for employer engagement work. The financial benefits for much of that work would be reflected in next year’s figures.

LSC income was very good and Work based Learning contract income was much better than last year.

The underspend on staffing related largely to a forecast for staff required to deliver courses where in fact the anticipated staff resources had not been required. In addition as the 2007/08 pay award had been staged there was a slight underspend on budget for this. Depreciation was higher. In answer to a query regarding this, she explained how depreciation was calculated for the budget and accounts. There was a continuous programme of re-investment, such as the capital programme approved at the last meeting. The main College building had now been occupied for seven years, was well maintained and the spending on maintenance was evident. Further reinvestment included the provision of whiteboards in all classrooms.

She referred to the internal financial health indicators having been Grade B for the past two years and was pleased to confirm that the College's financial health indicator had now been confirmed by the LSC as Grade A. This placed the College in a strong position which was important for the new financial arrangements being introduced in the coming years and referred to later in the meeting.

A query was raised that the financial strengths shown in her report were in traditional areas, with the new areas of activity showing lower levels. The Director of Finance and Corporate Services noted that as the emphasis of funding changed, in particular the move to employer-driven work, it may be necessary to change the terminology used in order to keep the accounts clear. Both the Principal and the Assistant Principal, External Relations confirmed that Work based Learning had been a successful area of work and that the College aim was to move away from a dependency on LSC funded learning.

**RESOLVED** that the contents of the Report be noted.

## **22/08 LSC ALLOCATION**

The Director of Finance and Corporate Services reported that the situation had been difficult and frustrating in that she still had not received full information on the LSC allocation for 2008/09. The LSC now had two different sources of funding to deal with and had also implemented a new funding formula this year. The formula had been released piecemeal and was detailed in her report. The LSC had apologised for the delays.

College had now received notification of its 16-18 allocation which showed a fairly substantial increase which had bucked local, regional and national trends. This was due to the College's performance this year and gave it a strong base from which to work on future demand-led funding.

The final allocation for Adult Responsive funding had just been announced and showed a potential reduction although the good relationship with the local LSC had enabled the College to promote its good performance in this area.

Allocation on Employer Responsiveness funding was still awaited and would be allocated at a regional meeting on 13 June. She would report to the Corporation meeting on this.

In summary the outlook for 2008/09 was of a very different funding environment for adult funding, where payments would be in arrears dependent on actual activity. As a result budgeting would be far more difficult. The allocation was the baseline, the minimum to which colleges should perform.

In response to a committee query, she confirmed that if the college over-performed this year it would not be paid additional funds but that it would affect next year's allocation. In 2008/09 if College over-performed on Adult or Employer Responsive work then it would be paid additional funds.

There followed a long discussion about a number of issues relating to funding allocation and utilisation. Issues covered included: the lateness of allocation and difficulties involved in financial planning; whether it should be Cumbria Colleges Ltd (CCL), individual colleges or the collaboration group which contracted for the Train to Gain work; potential destabilisation effect for the colleges of CCL taking over Employer Responsive training, including apprenticeships; the need for an in depth review of apportionment of funding between the various providers.

**RESOLVED** that the funding position be noted.

#### **23/08 DRAFT ANNUAL REVENUE BUDGET 2008/09**

The Director of Finance and Corporate Services presented her report and noted that with the allocation of funding not yet finalised, she was only in a position to present a draft budget at this stage. She had only just received the LSC financial planning template, which she would present to Corporation on 26 June along with the final budget.

College strategy was to increase income and she confirmed that the aim was to achieve category A in the self-assessment.

In response to a query regarding "Other non-educational income" she informed members that the largest source of income in this category was ActivZone, with community use and hire of facilities being other sources.

**RESOLVED** that the contents of the Report be noted.

#### **24/08 TERMLY FRANCHISE REPORT**

The Assistant Principal, External Relations presented his report which showed all contracts performing well. This area of work was also affected by funding issues. In particular it had not been possible to finalise 2008/09 contracts until the LSC allocation was confirmed. Changes to the franchising rules should prove beneficial, with the allocation awaited.

Details of Individual Partner Activity were set out in his report. He was optimistic that college would be working with Sellafeld Ltd in the near future.

He confirmed that he anticipated good performance in 2008/09 with increases in both delivery of courses and also in funding.

**RESOLVED** that the contents of the Report be noted.

#### **25/08 RISK REGISTER REVIEW**

The Director of Finance and Corporate Services presented her updated report on changes to strategic risks and actions taken to mitigate them. Most related to government and funding changes which were having a major impact throughout the organisation.

**RESOLVED** that the contents of the Report be noted.

#### **26/08 PROCUREMENT STRATEGY UPDATE**

The Director of Finance and Corporate Services presented her report which provided an update on the college procurement strategy. The FE sector now had

“Gershon” targets which had been included in the Action Plan. Two members of staff had achieved NVQ Levels 3 and 4 in procurement, use of the Government procurement card was working well and the Facilities department had succeeded in making savings of £44,000 in procurement. In response to a committee query, she confirmed that in her view there would always be further savings that could be made.

**RESOLVED** that the contents of the Report be noted.

## **27/08 FACILITIES MANAGEMENT**

The Director of Finance and Corporate Services presented this report on behalf of the Facilities Manager.

There had been 5 RIDDOR incidents to date in the year. The results of the staff stress survey had been incorporated in the action plan. Room utilisation was monitored closely, working with property consultants. LSC funding changes would have an impact here as fewer full time adult students on site would reduce room use. College now closed at 7pm on two evenings. Catering had room for expansion. Construction facilities were under pressure.

**RESOLVED** that the contents of the Report be noted.

## **28/08 SUSTAINABLE DEVELOPMENT UPDATE**

The Director of Finance and Corporate Services presented this report, which affected all aspects of college activity.

She informed members that sustainable issues were raised with students regularly in the curriculum, etc. College had received £30,000 funding from the LSC to work on reducing electricity usage. Funding had been allocated based on demonstrating a 5 year pay back period. 90% of waste paper and 20% plastic bottles were now being recycled.

The facilities department were working on becoming a paperless office and many internal meetings were now paperless.

She reported that the strategy needed review, which would be carried out over the next few months.

Members were asked to note the report and endorse the signing of the FE Colleges Sustainable Development Declaration, a public statement of the college commitment to sustainable development.

In response to queries she noted that College was probably further ahead on this strategy than other Cumbrian colleges. Members suggested that publicity for this initiative be sought in local media. She undertook to follow this up.

**RESOLVED** that the contents of the Report be noted and the declaration be endorsed. It was signed by the Principal.

The meeting closed at 6:00pm