



Minutes of a meeting of the Resources Committee held on Thursday, 4 March 2010 in the Boardroom

Present: D McSweeney; M Davidson (from Item 5); M Stanger; C Richardson

Apology: J Holliday

Also present: K Wilson, Deputy Principal Finance & Corporate services; J Foote, Clerk; J Bayliff, Personnel Manager; Sharon Rogers, Contract Manager (for Item 4)

Apology: J Murray

Damian McSweeney in the Chair.

01/10 Minutes

The minutes of the meeting held on 26 November were agreed and signed as a correct record.

02/10 Declarations of Interest

Mark Stanger declared an interest in Item 4 in that the company he worked for held contracts with a company referred to in the report. It was agreed that, as this did not involve any direct involvement in the contracts referred to, no prejudicial interest existed.

03/10 Contract Management Activity Report

The Contracts Manager gave a detailed resume of the college's current sub contract provision. It was explained that the college engaged in sub contracted provision in order to ensure that the college had the opportunity to provide instant delivery of provision as required. It was also confirmed, however, that it was the college's intent to move towards direct delivery where possible.

No issues had arisen as the result of lesson observation on sub contracted provision. The Committee was informed that it was an intentional policy of the college not to issue grades as a result of teaching observations in order that staff would concentrate on strengths and areas for improvement rather than on perceiving the award of a grade as an outcome in itself.

In respect of the risk assessment of sub contracted provision it was explained that the assessment of risk concentrated on quantifiable targets such as retention and timely achievement.

In response to a query it was confirmed that the sub contracting firms sourced their own learners but that the college monitored the situation. It was accepted that sub contract provision was high risk but essentially sound. The Corporation would continue to monitor these courses through a termly report to the Resources Committee and through the scrutiny of assumptions made in respect of sub contracting in the college financial plan.

Mike Davidson joined the meeting.

04/10 Management Accounts

The Management Accounts to 31 January 2010 were presented to the Committee by the Deputy Principal Finance and Corporate Services. The current forecast was that the college would be ahead on income lines and also slightly ahead of profile on non pay. The college had a strong balance sheet and continued to be classed as outstanding under the Framework for Excellence criteria for financial health.

The Committee queried how the franchising figures within the management accounts correlated with the figures stated in the contracts report (considered at minute No. 03/10). It was explained that a difference in timing in the collation of statistics meant that the data in the two reports would be different.

With reference to the key financial ratios the Committee asked for clarification on how the college had lost points in respect of the adjusted operating position as a percentage of income. The Deputy Principal undertook to investigate and report back.

In respect of the profile of debtors over 30 days it was confirmed that the figures in the report were normal for the sector.

The Committee welcomed the inclusion of competitive figures for staff costs which gave further assurance that the college was operating to sector norms.

Resolved – that the report go forward to the Corporation.

05/10 Financial Planning Assumptions

The Deputy Principal submitted proposed financial planning assumptions for 2010/11 for the information of the Committee together with a request for the first stage capital budget allocation. The assumptions would form the basis of the budget for 2010/11 which would be considered at the July meeting of the Board.

The indicative funding allocation from the LSC had been given as £4.9 million. The college was in the process of appealing against this as it fell short of the £5.3 million requested by the college.

The Committee queried whether the college would continue to accept unfunded learners in 2010/11. It was explained that the college promoted the ethos of inclusive education and did not have a policy of selecting learners. It was not intended to change this at present. It was further confirmed that whilst the college was able to absorb non funded learners there was a point where a balance between open access and growth strategy would need to be considered. However, this was currently a sector wide issue.

The current economic climate had also had an impact on the college apprenticeship programme as employers in the area were reluctant to commit to the schemes. Again, this was an issue throughout the country.

The Committee considered the request for capital investment funds of up to £300k. Early release of this money would assist in procurement planning for large areas of spend. Governors queried whether the £442k allocated against the capital programme in the management accounts would be under spent. It was anticipated that these funds would be used in the current financial year. Governors were mindful of current economic uncertainties and advised a prudent approach to spending.

Governors discussed the staff turnover figure of 10% and queried whether, in the light of cuts in funding, it would be sensible to institute a moratorium on recruitment. Whilst college management was of the opinion that this could prove counter productive it was accepted that it would be prudent to look at recruiting to vacancies on a case by case basis. It was accepted that a degree of scrutiny now would mean that the college would be less likely to need to resort to compulsory redundancies in future.

Resolved - that

1. the assumptions as set out in the report be accepted as the basis for the financial planning process
2. a capital investment envelope of £150k be approved, with further funds released subject to consideration of the financial plan for 2010/11
3. future HR reports include a section on staff costs/utilisation with figures broken down as per LSC codes.

06/10 Tuition Fees Policy

The Committee considered proposals for the college's fees policy for 2010/11. The key proposals included the increase in part time adult LSC fee levels from 47.5% to 50% in accordance with LSC policy, the increase in full time adult LSC fee levels to £315 and the adoption of a national HE fee charge for full time learners and University of Cumbria HE fee structure for part time learners.

It was confirmed that the £315 fee equated to approximately 10% of the actual course cost. It was also confirmed that the actual number of learners in college who would be affected by this increase was very small due to learners being able to qualify for fee remission. The Principal also reserved the right not to charge the fees on an individual case by case basis.

The complete fees policy was attached as an appendix to the report.

Resolved - that the fees policy as set out in the report be approved.

07/10 Human Resources Update Report

The Committee considered the Human Resources (HR) report in its new format. The HR Manager drew attention to some of the key elements in the report.

90% of the 2009/10 Learning and Development plan had been delivered.

The pay award of 1.5% had been implemented for all staff in November 2009. A further 130 staff received performance management increments from January 2010.

Productivity for curriculum staff as at January 2010 stood at 89%. An audit of staff productivity had recently been undertaken with substantial assurance given. It was explained that some leeway in productivity needed to be maintained to allow for staff to cover classes due to staff absence.

Staff absence statistics stood at 9.7 days per employee lost as at 31 January 2010 compared with 10.2 days for the same period in 2009. The Committee discussed the effect that short term absence could have on classroom delivery. It was accepted that the college's established procedure was sufficiently flexible to cope with any issues. A pilot scheme for on-line reporting of staff absence had been introduced. In response to a query from the Committee it was confirmed that this scheme was proving successful. A number of staff had been granted special leave due to the disruption of floods and adverse weather.

Details of staff promotion, recognition and reward were submitted. The presentation of awards for staff at staff development days had proved popular. Details of the number of staff currently being managed for under performance were also submitted.

The college had been participating in the pilot of the "Big College Health Check". The survey would provide information on the views of staff and students on the services the college offered. This in turn would influence future college strategies.

The college continued to work collaboratively as a member of the Human Resources themed collaboration group. College staff had also taken part in a recent collaborative talent management working group.

Notable progress had been made in respect of HR strategies for 2009/10, particularly the increase from Grade 2 to Grade 1 for Leadership & Management in the college Self Assessment Report.

The Committee were informed of the strategic priorities which had been decided for HR for 2010/11.

The Committee agreed that the new format gave a clear overview of HR issues in college.

08/10 Minutes of JCSN

The minutes of the meeting held on 19 October were received and noted.

09/10 Facilities Management Report

The Committee was pleased to note the reduction in accidents statistics for colleges staff and also the significant reduction in vandalism incidents for 2009/1020 year to date. The Deputy Principal reported on the continuing discussion in respect of Distington walled garden to resolve estates issues. It was proposed that a reconciliation of room utilisation statistics against actual use would be undertaken. The proper use of facilities had been highlighted as important as student numbers continued to grow.

10/10 CCL Minutes and Accounts

The Financial Statements for Cumbria Colleges Ltd were submitted for the information of the Committee together with the minutes from the company Audit Committee dated 22 January 2010. The Committee was asked to note that, although the statements showed a loss for the year, this was due to the gift aiding of the previous year's surplus to the member colleges. The future of the company was currently under review.

The meeting closed at 7:00pm