



## **MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE**

**Held on Thursday 27<sup>th</sup> November 2008 at 4:30pm in the Boardroom, Lakes College**

**PRESENT:** Paul Pharaoh, Cath Richardson, Mike Davidson and Gerald Humes

**APOLOGIES:** Joe Holliday, Bill Southward, Cyril Wheat (Assistant Principal, External Relations)

**IN ATTENDANCE:** Karen Wilson (Director of Finance and Corporate Services), Joan Bayliff (Personnel Manager) and Hilary Hemm (Clerk to the Governors)

Members were required by the Standing Orders to appoint a Chair for the committee at this meeting. As it was anticipated that the committee composition would change following the forthcoming Corporation meeting in December, Paul Pharaoh was appointed to chair this meeting only with a longer term appointment to be made at the next meeting.

**29/08 DECLARATIONS OF INTEREST:** Both Mike Davidson and Gerald Humes, as local authority representatives, declared an interest in local sports facilities.

### **30/08 CONFIRMATION OF MINUTES**

The Committee received the minutes of the meeting held on 12<sup>th</sup> June 2008.

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

### **31/08 JOINT STAFF CONSULTATIVE AND NEGOTIATING (JSCN) MINUTES OF 2 JUNE 2008**

The Personnel Manager presented these minutes.

The minutes were noted.

### **32/08 EVALUATION REPORT OF STAFF DEVELOPMENT ACTIVITIES 2007/08**

The Personnel Manager presented this report and highlighted particular aspects, especially the very positive impact of how staff development delivered has led to College improvements as evidenced by the complimentary assessments from IIP and the Ofsted Annual Assessment visit. She was pleased to report that the College had a very high percentage of qualified teaching staff and training advisers. Many training advisers now hold an ENTO unit D in Health and Safety, with Lakes College taking the lead in Cumbria in this respect.

Members queried the number of teaching staff who held first aid qualifications. She explained that it was important to cover key areas of risk and that the thrust of College policy was to ensure that designated first aiders were well trained and that all staff knew to follow correct procedures and call on designated staff. She was addressing the issue of staff taking on this role receiving recognition for that extra task, and an amended College pay policy for this would be put to a future meeting once it had been finalised.

In response to a query regarding the impact of the need for all teaching staff to register with the Institute for Learning, she explained how staff were now required to record their CPD hours and the impact of any training on their work. The HR department was working on a single recording system.

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

### **33/08 STAFF DEVELOPMENT PLAN 2008/09**

The Personnel Manager presented this plan. She set out the aims and priorities for the year, explained that improved forward planning had enabled 50% of the training programme to be prepared by the start of the year. She noted key developments for 2008/09 including the role of teaching and learning mentors and lead assessors and the Learning Resource Centre to support staff development.

In response to a query she confirmed that upgraded tracking processes should improve monitoring of progress against performance indicators.

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

### **34/08 HUMAN RESOURCES ANNUAL REPORT AND STAFF ANNUAL CLIMATE SURVEY, 2007/08**

The Personnel Manager dealt with these two reports together. It was important to have the right staff with the right skills at the right time. The annual report examined how HR strategy had assisted in this aim. She referred members to the three key strengths identified in her report and the evidence linked to each area.

The staff annual climate survey showed an improvement. She was pleased to be able to report that staff relations and satisfaction at work were generally good. Where any member of staff expressed concern, the College aim was to manage that particular concern as effectively as possible. Relationships with the UCU were good. The survey response rate had been greater from business support staff than from teachers. The Heads of Faculty were investigating this with a view to increasing response rates in future.

In response to a committee query she undertook to investigate further the causes of the high staff turnover to new jobs in Business Support and to report back to the committee at its next meeting.

She confirmed that absence management was still an issue, with overall absence levels still higher than targeted and than national benchmark surveys. Short term absence had reduced over the last four years but there was a higher long term absence figure due to a number of staff with serious illnesses. A collaborative management approach had been adopted to address the issue and had arranged for an Occupational Health specialist to work on site once a month. This was enabling closer liaison with GP practices, who had been notified of employer support, to try to ensure appropriate and phased returns to work. She noted that when a workplace was going through a challenging and changing phase this could affect staff and be reflected in sickness absence.

The Personnel Manager noted that the age profile of staff was improving with a better dispersal across the age range.

Finally, staff recognition schemes were being reviewed with the aim of making them more accepted and valued.

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

### **35/08 UPDATE ON THE 2008/09 PAY AWARD**

The Personnel Manager informed members that the national award put to Corporation in September of 3.2% or £550, whichever was the greater, with effect from 1<sup>st</sup> October 2008, had been paid to staff in November salaries, together with the appropriate bonus also approved by the Corporation in September. The UCU had accepted the national offer. There was no risk of industrial action as a result.

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

### **36/08 SUB-CONTRACT AND FRANCHISE PROVISION**

In the absence of the Assistant Principal, External Relations, the Director of Finance and Corporate Services presented his report which provided a summary of 2007/08 activity and set out proposed activity for 2008/09. Changes in funding methods meant that where work was core activity it would be classed as franchised but where it was employer responsive it would henceforth be sub-contracted. There had been a relaxation in the percentage of work which could be carried out under these conditions thus enabling colleges to develop. The overall outcomes for 2007/08 working with Learning First, Lawsons, Gen 11 and Trainrite were very good. In the case of Gen11 there was some rollover of students into the current year and the reimbursed income reflected that.

College had self-assessed as grade 2 (good).

The Director of Finance and Corporate Services took members through the proposed activity for the current year. There was a significant reduction in anticipated learner numbers for Learning First due to the LSC changed focus which required activity to be targeted on priority areas in W Cumbria. Additional learning support budgets were much tighter and the 16-18 budget had also been affected.

She sought authorisation from the committee to enter into two new sub-contracts, with Sellafield Ltd and Style Training.

The Sellafield Ltd arrangement had been in negotiation for approximately one year and had the support of both UCLan and the LSC. College had been awarded an additional allocation by the LSC on the basis that there would be work with Sellafield Ltd. In response to queries she confirmed that sub-contract work did carry higher risks and that it was essential to maintain robust risk management and review arrangements.

The Director of Finance and Corporate Services explained to members that College proposed to enter into an arrangement to provide NVQ Level 3 Hair and Beauty training in the Southport area because the local provider could only deliver up to Level 2 and therefore an external provider was required. The initial link had been made through a member of College staff. Members sought reassurance that working outside the normal College geographical area was a workable proposition. She confirmed that College did have the capacity to deal with the initial proposal of 30 learners. In practice the arrangement would be that training would be provided locally in Southport with Lakes College carrying out the quality assurance for that work. The LSC supported this sort of arrangement and encouraged sub-contracting in this way.

**RESOLVED** that the proposed sub-contracts with Sellafield Ltd and Style Training be approved.

### **37/08 DRAFT FINAL ACCOUNTS**

The Director of Finance and Corporate Services presented an overview of the accounts. Although these were draft accounts, the figures would not change in the final version. Financial performance had been good with a surplus of £657,000 in the year. This was higher than anticipated. The FRS 17 presentation needed to be altered to take account of LSC requirements. There were some small textual changes to make and she undertook to ensure that all references to the Chair and Principal referred consistently to the full names of both parties. She also undertook to ensure that the correct listing of governor categories was used.

She confirmed that in the Financial Health Table, cash inflow from operating activities should be recorded as Grade A with an overall assessment of Grade A.

The FRS 17 deficit had been affected by the current financial climate. She expected it to increase in the coming year.

In reply to a query regarding the surplus she informed members that it enabled College to invest back in College facilities and activities. She did not anticipate that it would affect future funding except that in the event of a capital funding bid College would be expected to use its own funds first. She confirmed that in presenting the accounts to Corporation for final approval, she would set out the strategy of investing funds for improvements such as the ongoing construction buildings developments. £300,000 had been set aside this year for major planned maintenance or future works.

Subject to this committee and the Audit Committee's approval, the accounts together with the Management Letter would be presented to the Corporation December meeting in their final version prior to being signed off and submitted to the LSC.

**RESOLVED** that the report be noted and that the accounts be recommended to Corporation for approval.

### **38/08 MANAGEMENT ACCOUNTS AND FINANCE UPDATE**

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

She reported that at this early stage in the year it was important to treat the figures with caution although she did anticipate that financial targets should be met.

The main area of concern was the difficulty of monitoring financial performance at present due to the problems with the changed LSC funding model and associated software. There was also some uncertainty as to how the in-year assessment would be done as this was the first year of operating under that regime. She was waiting for formal confirmation on this.

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

### **39/08 TREASURY MANAGEMENT POLICY AND ARRANGEMENTS**

The Director of Finance and Corporate Services informed members that it was timely to review this policy and proposed arrangements for management of funds in view of the turmoil in the financial sector. She sought approval for the proposed cash investment proposal and the associated widening of banking institutions with which the College could place deposits.

College currently had approximately £2m funds which it was required to place with grade A financial institutions. She had annexed to her report a copy of a presentation from Barclays Wealth regarding their cash management service. Barclays was the main College bank, with some funds held at the Bank of Scotland. Barclays was one of two banks specialising in FE banking services, the other being Lloyds TSB.

The current focus was to balance the return on investment with security from risk.

Members discussed the cash management service whereby Barclays would recommend where funds should be placed. The service would be provided on acceptance of the recommendation only, and funds would always be placed across a spread of grade A institutions. It was likely that more funds would be placed in longer term deposits.

The "non-interest bearing" element of funds in the Barclays example was the portion of funds where College did not earn interest and therefore the part on which the bank would earn income for its service. While the example produced by Barclays included some overseas banks, the Director of Finance and Corporate Services reminded members that careful consideration would be given to any recommendation before acceptance.

She hoped to have some collaborative arrangements in place for banking services in due course.

**RESOLVED** that the contents of the Report be noted, that both the proposed cash investment arrangement and the associated widening of banking institutions with which the College could place deposits be approved.

#### **40/08 LSC MAIN CONTRACT AND ACTIVITY LEVELS**

The Director of Finance and Corporate Services reported that the current year was proving difficult and that she was unable to provide the normal review of the current position.

There were still problems with the target figures issued by the LSC and earlier in the day she had been informed that as a result of the LSC correcting the previous target figures there would be £366,000 less funding – a greater drop than had been anticipated.

In addition the LSC software to record and analyse the funding situation was not yet operational so that there was only limited information available on performance to date against LSC targets. This was a national problem. At this stage in the year there should have been payments made on returns but that had not been possible because of the reporting difficulties so payments had had to be made by profile.

A further difficulty was that the LSC had recently informed College that it would not accept student numbers from a 2009 summer school as part of the target numbers whereas in the past they had been accepted. It had been planned to recruit 250 students in the summer. College therefore had to review its activities to compensate.

On a brighter note, FT student numbers were ahead of the equivalent stage last year.

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

#### **41/08 FACILITIES MANAGEMENT**

The Director of Finance and Corporate Services presented this report on behalf of the Facilities Manager. The report closed down reporting for 2007/08 and introduced developments for 2008/09. A great deal of the information had already been reported to the committee in the termly reports.

She referred particularly to the 5 RIDDOR incidents in the year, to the increased ENTO Unit D training and that the LSC Health and Safety audit had graded the College as "excellent" – the first college in Cumbria to receive this grade.

Changes in recording mechanisms had affected the room utilisation statistics. Construction facilities were under pressure and work was underway to upgrade them and link to the Energy Coast Campus proposals. The covered work area, funded largely by West Lakes Renaissance, was being built. She would provide members with a full report on property issues at the next committee meeting.

In response to a query regarding access around and in and out of the construction units, she reassured members that while the units were at capacity, great care was taken to ensure that health and safety was not compromised.

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

#### **42/08 ACTIVZONE SPORTS CENTRE**

The Director of Finance and Corporate Services reminded members that this report had been requested by the committee and set out the history of the Centre and its current activities. Governors Mr Holliday and Mrs Boyes as well as Sports Development Officers from Allerdale and Copeland councils attended the community group meetings, which had generated many useful suggestions for development.

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

#### **43/08 SUSTAINABLE DEVELOPMENT PLAN, 2008/09**

The Director of Finance and Corporate Services presented this plan, which affected all aspects of college activity. The targets were linked to the strategic plan. Recent feedback from the AoC was that Ofsted would focus on this aspect of college life in any inspection. The Energy Coast Campus developments were taking sustainability issues into account at the planning stage.

Members commented on the full college car park. She noted that this demonstrated a successful and busy college and added that at the recent AoC conference Cumbria had been held up as an example of good practice for support for community transport. She also dealt with queries on recycling projects, where Allerdale Borough Council had been supportive.

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

#### **44/08 FINANCIAL REGULATIONS**

The Director of Finance and Corporate Services presented draft Regulations with amendments made following a wide ranging review carried out by the Finance Manager, the Clerk and herself.

The aim had been to tidy up the previous regulations and make them easier to use. There were no major changes. A more wide ranging review would be carried out in the future. The Financial Procedures would be reviewed as a follow-up exercise.

**RESOLVED** that the amended Financial Regulations be recommended for approval to the Corporation.

#### **45/08 PROCUREMENT STRATEGY UPDATE**

The Director of Finance and Corporate Services presented her report which provided an update on the progress made on the 2007/08 procurement strategy and sought agreement for the 2008/09 plan.

She reported that procurement was high on both government and LSC agendas and that Lakes College was well placed to benefit from that. Through collaborative work the LSC had awarded funding for a joint procurement officer for a fixed 2 year term. The post would be advertised as soon as the contract had been agreed. Once in post it was important that all four colleges follow the officer's guidance. In response to a query, she indicated that were one college to opt out of a collaborative procurement arrangement then she felt that the LSC would not withdraw the funding but would want assurance that the collaborative arrangement was still sustainable.

Members expressed approval for this arrangement.

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

#### **46/08 RISK REGISTER REVIEW**

The Director of Finance and Corporate Services presented her updated report and reminded members that there were three areas of concern as detailed in her report – the difficulties with funding management for LSC, the adoption of sub-contracting activities and the various difficulties with the estates as noted in her report.

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

The meeting closed at 6:35pm