

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Resources Committee of the Board of Governors held on Monday 10 May 2010 at 5.00pm in the Conference Centre Paget Road

PRESENT

Mrs J Kitchen (Chair) Mr I Millard
Mr R Landman Mr WA Parker
Mr S Catchpole

Ms S Meddings (Clerk)

IN ATTENDANCE

Mr A Brodie
Mr B Dhir
Ms E Payne
Ms K O'Reilly
Mr P Polowyj

APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms C Boughton.

11/10 MINUTES OF THE PREVIOUS MEETING – 15 MARCH 2010

Resolved:

That the minutes of the previous meeting held on 15 March 2010 be approved as a correct record.

12/10 BUDGET PREPARATIONS 2010/11 (ONWARDS) AND WORKFORCE PLANNING

The Committee received a report which

- Provided an update on the position regarding contracts with the LSC Successor bodies and other funding partners for 2010/11;
- Outlined the timescale on actions and workforce planning issues associated with the budget setting;
- Provided the College's draft redundancy policy for the Committee's approval;
- Provided a reflection on the implications of budget preparations for 2010/11.

The following were of particular note:

The Committee considered an update of the table presented at the Board meeting on 29 March 2010 providing the latest position on the indicative funding allocations for 2010/11. It was reported that the bulk of the contracts had been confirmed. The exceptions were – ESF, T2G, 6 month unemployed, Future Jobs Fund. The headline issue was that the College continued to face a net overall reduction in income of around £2.5m to £3m

for 2010/11 (around 7% of turnover).

It was reported that work at a detailed level was being progressed with college teams to manage the process. Teams were looking to compensate with full cost work.

A HR1 (formerly Section 188) notice was issued on 30 April 2010 which identified a "headcount" impact arising from the reduction totalling 160 (12% of total workforce), with 35 in the "managers" category (25% of staff in this category), 85 in "professional" (teachers/staff requiring a qualification – 10% of staff in this category) and 40 in clerical/support (primarily cross college – 16% of staff in this category). The estimate was that overall this equates to around 80fte staff (10% of total fte's) which was viewed as the worst case scenario. The Committee noted both a copy of the HR1 notice and a timetable for the voluntary redundancy framework which was to be taken forward with a view to minimising the impact of a compulsory redundancy process.

In respect of communications it was reported that staff representatives had been advised on the process. The first formal meeting with the joint unions was due to take place the next day (11 May). An update would be provided at the Board of Governors meeting on 24 May 2010.

In the context that the College did not currently have an approved redundancy policy, the Committee were requested to approve the draft redundancy policy appended to the report.

With regard to 2011/12 onwards, an early indicator was provided to the Committee in an extract from work undertaken by the Institute of Fiscal studies which compared the manifesto commitments of the three main political parties on the public sector spending reductions likely to be actioned in the medium term. The College would need to plan for this environment as the picture emerges in the autumn term 2011/12 onwards. In the meantime, the more the overhead could be reduced at this stage, the better placed the College would be for year 2 onwards.

In considering the report, the following points of discussion arose:

- The impact of the underperformance of the 16-18 responsiveness contract in the current year on 2010/11 and what strategies were in place to ensure the contract would be achieved.
- It was suggested that it would be useful to provide a sensitivity analysis for the Board meeting on 24 May showing the impact on the 2010/11 total budget figure.
- The Principal outlined a number of additional sources of income for 2010/11 which were awaiting confirmation.
- In response to a question from the Chair on non pay efficiencies and the College's strategy on shared services, it was reported that the College was in a consortium with 19 other colleges exploring joint tendering. Areas which were being considered included exam costs, energy costs and jointly tendering for external audit services. The College was also looking at bringing the payroll in house to provide a better service and a different approach with the emphasis on employee benefits.
- In the context of the plans to reduce staffing costs, the Chair asked for assurance that the College would be appropriately managed given the level of reduction of management posts. The Principal reported that the

Senior Management Team were currently in the process of refining arrangements for a new management structure and were focused on ensuring the maintenance of the delivery of services and quality.

- It was recommended that the review of the management structure should consider the medium term as well as 2010/11 to ensure that when further cuts came the College had the structure in place to run the organisation properly.

Resolved:

That the draft redundancy policy be approved.

13/10 HR POLICY UPDATE

The Committee was requested to approve the new Managing Attendance Policy which had been introduced to ensure that College staff understand the importance of regular attendance and that College managers understand their role in managing absence in their area.

It was reported that the policy had been both externally and internally Equality Impact Assessed and agreed by the College's Joint Unions.

Resolved:

That the Managing Attendance policy be approved.

14/10 PROPERTY STRATEGY UPDATE

The Committee received a report on the College's Property Strategy which provided an update on the Wellington Road campus and an outline of proposals for short term works to improve the estate. The costs and savings identified in the report would be included in the budget setting process for 2010/11 onwards.

The Principal emphasised that, despite the funding cuts, the College continued to invest in the Paget Road estate to improve the environment for learners.

15/10 MONITORING REPORT 2009/10

The Committee received a report which provided a summary of the in year operating position for 2009/10. The following headline issues were noted:

The College was on target to achieve the approved surplus of £772,000 (excluding FRS17 and staff restructuring costs).

The Adult Responsiveness contract of £9.6m has been achieved. This was a key objective for the year given that the College underperformed in 2008/09 and any underperformance in 2009/10 would have resulted in clawback for both years.

The 16-18 Responsiveness contract was currently at 92% of outturn and was likely to be under-achieved. Whilst no cash adjustment would arise in 2009/10 it was recognised that this could impact on contract negotiations in future years.

The Apprentices and Train to Gain contracts were not yet achieved. A further

3 months of work was yet to be claimed and it was anticipated that plans for the remainder of the year would close the current gap.

Other areas of delivery remain on track. The continuing focus was to ensure that costs (staffing and non pay) remained under control. Costs were therefore being closely monitored.

In respect of cashflow, it was reported that the College continues to monitor cashflow predictions. The post LSC period was now in place and the College was working with Skills Funding officers to ensure that monies due were received effectively, efficiently and at the right time. The Vice Principal Resources formally thanked Ms E Payne, the College Accountant, for keeping on top of the College's cashflow situation.

In considering the risk register appended to the report, the Chair suggested that the register should include risks relating to the national economic picture. It was further suggested that the risks should be ranked in respect of likelihood and impact.

16/10 INCOME DIVERSIFICATION AND PARTNERSHIPS 2009/10

The Committee received a report on the progress made in diversifying the College's income base and on the College's partnership activity for 2009/10 and noted that all was on track.

17/10 LEGAL MATTERS

The Committee received a progress report on the status of 2 current legal cases. It was noted that case 1 had been concluded with a settlement of £4,000 awarded to the claimant.

18/10 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING – 15 MARCH 2010

Resolved:

That the confidential minutes of the previous meeting held on 15 March 2010 be approved as a correct record.