

CITY OF WOLVERHAMPTON COLLEGE

Minutes of the Meeting of the Resources Committee of the Board of Governors
held on Monday 29 November 2010 at 5.00pm in the Conference Centre, Paget
Road

PRESENT

Mrs J Kitchen (Chair) Mr R Landman
Ms C Boughton Mr I Millard

Ms S Meddings (Clerk)

IN ATTENDANCE

Mr B Dhir
Mr P Polowyj
Ms K O'Reilly

APOLOGIES FOR ABSENCE

Apologies for absence were received from Dr J Hunt and Mr WA Parker.
Mr R Landman sent notice of late arrival.

41/10 MINUTES OF THE PREVIOUS MEETING – 4 OCTOBER 2010

Resolved:

That the minutes of the previous meeting held on 4 October 2010 be approved as a correct record.

42/10 CORRESPONDENCE – GOVERNMENT PROCUREMENT CARDS

The Committee considered proposals to extend Government Procurement cards (GPC) to additional areas within the College.

It was explained that the GPC was a credit card registered to the College but in specific staff members' names in order to be able to purchase goods directly in order to gain preferential pricing and speedy delivery. This had been run on a pilot basis for 2 years and had proved successful.

The Committee considered the following details of the proposal:

- Total number of cards to increase from 13 to 32 (19 additional cards)
- Single transaction limit to be set at £250 for the majority of cards but with a few exceptions in areas such as ICT, Principal, Estates.
- Total monthly spend available limit to be set at £1,500 for all areas except Principal and Estates whose limits would be set at £2,000.
- Total available College limit to increase from £30,000 to £55,000.
- No orders to be sent to Finance under £200 (except in circumstances where the supplier would not accept the GPC)
- Any card holder that does not follow the rules of use of the cards or does not produce the required spending logs, will have their card suspended until all documentation was received by Finance and a discussion has

taken place with the Director of the Faculty area.

Resolved:

That the proposal to extend GPC cards to additional areas in the College be approved.

43/10 CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD) – REVIEW OF 2010 PLAN AND CPD PLAN 2011

The Committee noted the contents of a report which:

- Reported the outcome of the review of the College's CPD Plan for 2010; and
- Provided the 2011 CPD Plan for the Committee's information.

The Committee further noted the Teaching and Learning Service Impact Report 2009/10.

The Principal requested that the Committee note that despite financial pressures the College was maintaining its commitment to the professional development of College staff.

44/10 RISK MANAGEMENT FRAMEWORK 2010/11 (INCLUDING INSURANCE ARRANGEMENTS)

The Committee noted the contents of a report which:

- Provided the annual assessment of the Risk Management Framework in place at the College;
- Presented a summary of the Insurance premium portfolio for 2009/10.

It was reported that for 2010/11 the College has developed a Risk Framework that has three sub-categories, namely

Strategic Risks
Operational Risks
Financial Risks

It was the intention that on a termly basis the three categories of risk were included in the Strategic Planning report to the Board of Governors.

In addition, in the context of the Resources Committee's responsibility for overseeing the Risk Management Framework, updates to all three risk registers would be reported to all future committee meetings.

In response to a request to provide comments on the Risk Registers, the Chair suggested an addition to the strategic risk register: Risk related to shared services, collaboration and merger.

45/10 STAFF MONITORING REPORT

The Committee noted the staff monitoring report and the information presented on:

- Current staffing levels including a comparison of staffing levels from

- 1 September 2003 to 31 October 2010;
- Analysis of staff profile by gender, ethnic origin, disability and age;
- Levels of sickness absence.

The following were of particular note:

There has been a reduction in staff working beyond 65 years of age (from 1.6% in 2009 to .6% in 2010). In the context of the Colleges' financial position, the College was allowing staff to retire at the retirement age rather than working beyond retirement age.

The Committee were provided with copies of the College's new Equality and Diversity monitoring form. It was reported that this form was part of the College's recruitment paperwork but that a similar form would be sent out to all staff on a regular basis.

It was further reported that updated information on next of kin and qualifications would also be regularly requested from College staff.

Mr R Landman joined the meeting.

46/10 EMPLOYEE SURVEY/INVESTORS IN PEOPLE UPDATE

The Committee received an update on actions taken in response to the 2009 Employee Survey, plans for the 2010 Employee Survey and progress towards achieving Investors in People (IIP) re-accreditation.

The following were noted:

There were some clear themes that emerged from the 2009 Employee Survey, i.e. to improve communications, manage individual's performance including attendance, more student engagement and improved resource planning.

Similar themes came from the IIP assessment, i.e. performance management, training and development for managers, improving communications, celebrating success and ensuring that the College's people strategies were measured and colleagues valued.

The Committee noted a number of actions taken to respond to the themes from both the Employee Survey and the IIP assessment. These included:

- Training for managers in managing attendance and probation
- The development of a new performance management process called DNA (Development Needs analysis).

It was reported that one of the biggest issues to emerge from the last IIP assessment was that not all College staff had had performance reviews in the 12 months leading up to the assessment. The implementation of the new DNA system for all staff was therefore key to the College gaining full IIP recognition in March/April 2011.

The Committee gave detailed consideration to the DNA competency framework and discussion arose on how the new process would work. The Committee further noted that another Employee survey would be undertaken in December 2010.

Resolved:

That the Resources Committee supports the decision to gain Investors in People re-accreditation which would involve the roll out of the DNA framework.

47/10 HR POLICY UPDATE

Governors were requested to approve the College's new Grievance Policy.

It was reported that the new Grievance Policy replaces both the current Grievance Policy and the Dignity at Work Policy which means that College staff had one approach to follow rather than trying to follow two difference processes for issues that were sometimes linked.

In noting that the new Grievance Policy had been externally impact assessed and agreed by the Joint Unions, the Committee

Resolved:

That the new Grievance Policy, which replaces both the current Grievance Policy and the Dignity at Work Policy, be approved.

48/10 LEGAL MATTERS

The Committee noted a progress report on the status of 2 current legal cases.

49/10 DRAFT ANNUAL ACCOUNTS 2009/10

The Committee received an update on the Draft annual accounts position for 2009/10 together with some headline messages on the figures underpinning the accounts.

It was reported that the accounts show a historical surplus (excluding FRS 17 and staff restructuring costs) of £679,000 as reported to the Board of Governors on 18 October 2010.

It was further reported that Baker Tilley (the College's Financial Statements Auditors) have completed their substantial audit process and were advising that the accounts represent a "true and fair" position on operations for 2009/10.

The Committee noted following trends applying to 2009/10:

- The historical surplus position has improved by £1.5m over the period 2007/08 to 2009/10
- Staff costs as a percentage of turnover has reduced to 66% - although for 2009/10 it was still around 2% above sector averages
- Borrowing as a percentage of turnover has increased from 27% in 2007/08 to 35% in 2009/10 as the College has taken on the bank loan support to fund the Wellington Road development
- Cash days have improved in 2009/10 (6.5) compared to 2008/09, but they are still "low" compared to sector averages (around 40).

On behalf of the Committee, the Chair thanked the Vice Principal Resources

and his team for putting together the draft annual accounts for 2009/10 and congratulated everyone at the College for achieving a surplus (before FRS17/voluntary redundancy costs) of £679K and for the improvement in the College's financial position from a deficit position of £83K in 2007/08.

Resolved:

That the Resources Committee recommends to the Board of Governors that the Annual Accounts 2009/10 be approved at the Board meeting on 13 December 2010.

50/10 COLLEGE BUDGET 2010/11

The Committee received a report which:

- Provided an indication of how the College was performing against the full year budget assumptions, which seek to achieve a historical surplus in 2010/11 of £707,000;
- Advised the Committee of the corrective actions being taken to manage operations underpinning the budget in the remainder of 2010/11 and going forward to 2011/12;
- Requested the Committee to consider the timing of a Section 188/HR1 process.

It was reported that at the current levels of activity, the likelihood was that pressures on full year contract would arise against 16-18 Responsiveness (contract £15.756m), 16-18 Apprenticeships (£2.178m) and on fees (budget £1.1m).

The overall contract for Employer activity of £10.339m (combining Adult Responsiveness, Adult Apprentices and T2G) was expected to be achieved with an increase in Adult apprentices being targeted at the cost of the T2G allocation.

In respect of resources, it was anticipated that with the expected under-achievement on 16-18 numbers, the level of part time teacher needs (VTs) would reduce compared to the budget. This would allow resources to be vired into areas that can deliver extra 16-18 numbers (Prince's Trust, E2E and Franchise Partners).

Cashflow forecasts were now in place to the end of July 2010 and reaffirm the position that there is little room for manoeuvre on cash management during this period. Balances have improved but there was limited scope to undertake investment plans around acquisition unless more cash could be freed up.

It was reported that to date, staff costs were £6.76m against the full budget of £26.902m. Consumables total £12.7m in 2010/11 of which to date £3.206m has been spent.

In respect of the staffing budget it was reported that there were a number of staff who were currently "at risk", i.e. full time staff employed in the Faculty areas not working at their contract levels and part time staff not being offered hours in 2010/11.

In addition there were a number of staff employed on Regeneration and Learning Partnership work on time limited contracts which come to an end in March 2011.

It was reported verbally that there were approximately a total of 80 staff "at risk" which would require the issuing of a S188/HR1 notice.

In considering the timing of the issuing of a S188/HR1 notice, the Committee recommended that Voluntary Redundancy should be offered to staff at the same time as the S188/HR1 notice with a cut off date for staff wishing to be considered for Voluntary Redundancy to make their intentions known.

The Committee further agreed that both the S188/HR1 notice and the Voluntary Redundancy scheme should be implemented from 1 December 2010.

Resolved:

- i) That the issuing of a S188/HR1 notice be approved.**
- ii) That a Voluntary Redundancy scheme with a cut off date of 23 December 2010 (for the submission of expressions of interest from staff) be approved.**

51/10 INCOME DIVERSIFICATION 2010/11

The Committee received an update on the College's income diversification initiatives for 2010/11 together with a strategic overview of income diversification in the context of the changing landscape. It was reported that The extent of income diversification activities for 2010/11 was significant for the College and stands at nearly £9m (or £10.5m if HE and international activities were included).

The following were noted:

- The current value of projects for 2010/11 was £8,842,414 (including £5,244,988 Employer Responsive activity. Regeneration projects total almost £3.60m, however, many of these projects were due to close at the end of March 2011 and there were no current indications of funding available to replace Working Neighbourhoods Funds, the source of many of the Regeneration projects.
- An invitation to tender in relation to NEET provision was released by the SFA in early November under its ESF co-financing arrangements. The College was leading a city-wide partnership in preparing an application to undertake activity in Wolverhampton and a smaller partnership in Shropshire. Further invitations to tender covering employment and skills were expected in early 2011, which it was hoped would replace some of the ESF and Working Neighbourhoods Fund resources that would expire at the end of March.
- The College has been awarded just over £20,000 by LSIS to encourage residents of North East Wolverhampton to gain enterprise skills and become self employed or start their own business.

- At the previous meeting the Committee endorsed the development of “spin-off” enterprises. However, it was noted that there was unlikely to be sufficient cash for investment in enterprises until September or October 2011.
- It was emphasised that income diversification was only one of several options available to an organisation considering its strategic markets. Other options include market penetration, market development and product development. For the College, product development, for example, could be about providing more value added learning to existing learners, which Programme Plus attempts to do.

The Committee further noted an updated profile of geographic peer colleges which may inform merger, shared service and federation activity.

In receiving the update, the Committee further noted that the strategic options outlined under section 4 of the covering report, some of which were discussed at the Committee meeting, would be included in the Strategic Planning report to the Board of Governors on 13 December 2010.

52/10 UPDATE ON BUDGET PREPARATIONS – 2011/12 ONWARDS

The Committee received a report which:

- Advised on the latest position regarding curriculum and budget preparations for 2011/12 onwards in the light of the impending Comprehensive Spending Review reductions;
- Identified key dates and actions for curriculum and budget preparations for 2011/12 to ensure that the College continued to focus on delivering strategic and operational objectives whilst also preparing for August 2011 onwards;
- Outlined likely staffing issues which include options around the 2011 pay award and Section 188/HR1 considerations.

In respect of the Comprehensive Spending Review it was reported that the grant letters from the SFA and YPLA were not likely to be received until early December; that the Education White Paper may not be circulated until January 2011; and that contracts for 2011/12 would be based on the midyear (January) position in 2010/11.

Given these timescales it was most likely that certainty on allocations for 2011/12 would not be finalised until the end of March 2011. However, waiting until the end of March to prepare for 2011 would be too late to begin the work on curriculum planning and budget preparations for 2011/2010.

The Committee noted a number of processes being progressed before the end of December 2010 including:

- Benchmarking of college by faculty and cross college areas – the formal report due by early December;
- Revisiting course contribution levels (financial) alongside success rates (quality)
- For cross college areas – a consideration of how the service can be delivered to students at 10% less resource levels

In response to a question from the Chair as to whether the timescales for the

completion of these processes were realistic, the Vice Principal Resources reported that the work was 90% progressed.

The Committee further noted key actions and dates for the New Year including:

- Detailed curriculum planning workshop which would not be offered in 2011/12
- Identification of courses by mid February which would not be offered in 2011/12 (i.e. which have poor success rates and do not make a financial contribution);
- A Briefing to Governors by mid February on the actions proposed to manage the expected reductions from August 2011 onwards. This would inevitably include staff reductions and would necessitate consideration of a Section 188/HR1 in Spring 2011.

In the context of the Committee's responsibility for advising the Board of Governors on the pay award for College staff, the Committee discussed options around the 2011 pay award.

It was reported that the AoC recommendation for 2010/11 was a consolidated pay award of 0.2% (or £50 whichever is the greater) from 1 August 2010.

This had been agreed nationally by UNISON and ACM but rejected by UCU.

It was noted that this would be of minimal value for staff, the exception being staff on less than £20,000 salary.

The Committee's views were sought on the alternative option of offering staff a health package with BUPA. It was reported that this would cost the College £60,000 and would be offered on the basis that the College's sickness absence figure did not go over 3%.

In discussing the options, the Committee agreed that it would be more appropriate in the current financial climate to consider an alternative option. The Committee therefore

Resolved:

That the Resources Committee recommends that the Board of Governors considers the option of offering College staff a health package with BUPA instead of the AoC recommended pay increase of 0.2%.

53/10 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING – 4 OCTOBER 2010

Resolved:

That the confidential minutes of the previous meeting held on 4 October 2010 be approved as a correct record.

54/10 UPDATE ON THE ACQUISITION OF DIVA

The Committee received an update report on the acquisition of Diva Training together with a copy of the business plan.

It was noted that the Diva Academy became part of City of Wolverhampton College's Employer Responsive and commercial capability on 2 November 2010.