

CITY OF WOLVERHAMPTON COLLEGE

**Minutes of the Meeting of the Resources Committee of the Board of Governors
held on Monday 3 October 2011 at 5.00pm in the Conference Centre, Paget
Road**

PRESENT

Mrs J Kitchen (Chair)	Mr I Millard
Mr S Grice	Ms J Mytton
Mr R Landman	Mr WA Parker

Ms S Meddings (Clerk)

IN ATTENDANCE

Mr B Dhir
Ms K O'Reilly (for agenda items 4 & 5)
Mr P Polowyj
Mr D Rose
Dr V Wylie

In welcoming everyone to the meeting the Chair suggested that the agenda should be re-ordered to enable Officers attending for individual agenda items to leave the meeting after those items.

The Chair extended a particular welcome to Mr David Rose, the College's newly appointed Director of Finance and to Dr V Wylie, the Chair of the Board of Governors.

Mr P Polowyj (Vice Principal Resources) provided a brief overview of Mr Rose's responsibilities and objectives leading the College's finance team.

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

Mr R Landman declared an interest in agenda item 10 – the Diversification of Income report in his capacity as a Director of Sisonke UK Ltd.

21/11 COMMITTEE TERMS OF REFERENCE

Members considered and noted the Terms of Reference of the Resources Committee.

22/11 MINUTES OF THE PREVIOUS MEETING – 4 JULY 2011 & MATTERS ARISING

Resolved:

That the minutes of the previous meeting held on 4 July 2011 be approved as a correct record.

There were no matters arising.

23/11 CORRESPONDENCE

Ms K O'Reilly reported correspondence dated 28 September 2011 from the Regional Secretary of UNISON addressed to the Principal giving notification that UNISON would be holding a ballot for industrial action in relation to a trade dispute over changes to Local Government pensions.

24/11 HR POLICY UPDATE

The Committee were requested to approve 4 HR policies:

Compassionate Leave
Parental Leave
Emergency Leave
Disciplinary Policy and Procedure.

The following were of note:

The Compassionate Leave policy gives clear guidance for paid time off to handle the bereavement of family members ensuring that a consistent process is used across the College.

The Parental Leave policy exactly follows Government guidelines and allows, under certain restrictions, unpaid time off to care for children to a maximum of 4 weeks per year.

The Emergency Leave policy clearly articulates what is considered to be emergency leave and stipulates that the first day only is paid leave.

The revised Disciplinary policy and procedures includes the capability framework and process and articulates more clearly what constitutes misconduct and gross misconduct.

After due consideration and in noting that the policies had been externally Equality Impact Assessed and agreed by the Joint Unions, the Committee

Resolved:

That the following policies be approved:

Compassionate Leave
Parental Leave
Emergency Leave
Disciplinary Policy and Procedure

25/11 LEGAL MATTERS

The Committee received an update on the status of 2 HR related legal matters.

Ms K O'Reilly left the meeting.

26/11 DRAFT OUTTURN 2010/11

The Committee received and noted the contents of a report which:

- Provided an indication of the draft annual accounts position for 2010/11,
- Provided a summary of the College Executive Leadership Team's expenses for 2010/11 and a summary of the overseas travel costs for 2010/11 as required by the College's Financial Regulations. (Regulation 7.10 and 7.9)
- Presented the actuarial annual report received on 29.09.2011 on the West Midlands Pension Fund that relates to support staff.

The following headline issues were noted:

The College has returned a historical surplus of £118,000 for 2010/11 against a target surplus of £708,000. This excludes the impact of the FRS17 Pensions Adjustment and the costs of Voluntary Redundancy.

It was reported that the reduction in the targeted surplus was largely the result of contract delivery on Apprentices and Train to Gain being undertaken by Partners at a level higher than was estimated in Spring 2011.

Whilst this was clearly disappointing, the contract for 2010/11 was achieved and therefore the level of delivery had been protected for 2011/12.

The Chair commented that the position was actually £590k adverse in comparison with the last outturn forecast and asked what reliance could the Committee and the Board place on forecasts during the year.

The Chair further requested that Governors be provided with more information on the outturn performance including clear reasons why and any mitigating actions going forward.

It was reported that mitigating actions put in place included more rigorous contract management in this area (a key responsibility for the new Director of Finance working with the College's Partnership Manager) with monthly review meetings and any increases to contract value requiring the Principal's approval.

Points of discussion included:

- Whether the College had the right staff assigned to that area and whether the staff were being adequately performance managed:
- Following discussion on the overseas travel costs for 2010/11 associated with the College's Leonardo projects, the Chair requested a breakdown of income and costs against each of the Leonardo projects to enable Governors to see the whole picture.

27/11 PARTNERSHIPS REPORT 2011/12

The Committee considered a report which:

- confirmed the 2011/12 Partner proposals including indicative contract values within the budget provision allocated, Risk Assessments and Risk mitigation processes; and
- confirmed the 2011/12 model contracts for these proposals.

It was further reported that the College's partnership activity for 2010/11 performed in line with contracted values.

Resolved:

That the 2011/12 Partner proposals outlined in paragraph 3.2 of the covering report and the 2011/12 model contracts attached as appendices 1 & 2 of the report be approved.

28/11 ANALYSIS OF DEBTORS FOR WRITE OFF

The Committee were requested to consider the write off of debtor balances relating to the period up to 2009/10 to enable the 2010/11 Annual Accounts to be progressed and signed off.

Governors considered a table summarising the total debtor balances to 2009/10 as at 31 July 2010 and noted that the total figure was £424,464

It was proposed that 150 balances totaling £33,116 relating to miscellaneous student fees be considered for write off and that a total of £84,241 was recommended for write off representing relatively small balances over the four years 2006/07 to 2009/10.

It was noted that the recommended write off was within the financial provision set aside.

Resolved:

That the Resources Committee recommends to the Board of Governors the write off of the following balances:

- | | |
|-------------------------------------|----------------|
| a) General Students balances | £33,116 |
| b) Other balances | £84,242 |

29/11 COLLEGE BUDGET 2011/12

The Committee received a report which provided an update on the budget approved in July 2011 and gave an early indication on student numbers at this early stage of the academic year.

The following were of note:

The budget approved in July 2011 was underpinned by a number of contracts and income assumptions since when variations/new income sources have been secured/awarded. The implications of those new areas of work would be worked through by mid October and accounted for within 2011/12 alongside any adjustments that may be necessary to address student numbers/enrolment issues.

Since the budget was approved, the following additional contracts have been awarded/secured:

- Mali project (notified late August). A 6 year project working to provide literacy, numeracy and trade skills for employees of an Australian mining company based in Mali. The overall income for the length of the contract

was £4m. It was reported that the costs against the project were being verified so that the real contribution could be included in an update of the 2011/12 budget and future year forecasts.

The Committee noted a letter dated 3 September 2011 confirming that the College had been selected as the preferred provider for the project. The Principal reported that the contract should be in place by the time of the Board of Governors meeting on 17 October 2011.

The Committee congratulated the College's Management Team on securing the Mali Project.

- European Project – the Two O'clock project (notified late August). A European funded project working with 6 partners. The project total income was estimated at Euro 376,000 with total costs submitted in the application at Euro 355,459.
- European Project – ELIA (notified late August). The College was one of four partners looking at extending the learning from EL4VET (Emotional Literacy for Teachers) to new countries. The project total income was estimated at Euro 289,000 with the College allocation being Euro 53,000.
- Step up to HE - £55,000 (notified late August)
- Learner Support Funds – Adults £142,000 (notified mid August).

Student numbers in 2011/12 were, at this stage in the academic year still in the process of "settling down". Early indications were that enrolments were behind target levels on 16-8FT and on Adult PT. This would be analysed more at the Board meeting on 17 October.

30/11 DIVERSIFICATION OF INCOME 2011/11 TO 2014/15

Mr R Landman withdrew from the meeting at the commencement of this item.

The Committee received an update on income diversification initiatives for 2011/12 together with a strategic overview of income diversification opportunities to 2014/15.

In respect of Income Diversification Initiatives to 2014/15 the following were of note:

- Non-core income (forecast as 17.72% in July 2011) has fallen since 2010/11 due the loss of regeneration funding. Planned increases in apprenticeship funding may possibly reduce this indicator further.
- The development of the College's HE Centre was almost complete and commercial HE modules were being marketed. Copies of the prospectus were distributed to Committee members for information. 2011/12 income was anticipated as £1.4m
- International: - Planning for a turnover of £300k in 2011/12. The College was looking to partner on student activity to reduce risk and increase income. An update of the Plan would be submitted to the December Resources Committee.
- European projects: 3 Leonardo projects running. Two new projects reported at agenda item 8 on the College Budget.
- Commercial Business Opportunities: Polymer and Diva continue to contribute a commercial return on Investment. Diva plans to bring in a contribution of £200k from its commercial operations by 2014. It was anticipated that Polymer would bring in a commercial contribution of £165k in 2011/12 and £507k by the end of 2014.

- Schemes that may lead to income opportunities. Investment of £4k in TVET to participate in a project in Nigeria during 2012. Investment of £10 in the Sisonke Partnership to look for opportunities in South Africa.

In respect of the proposed investment in the Sisonke Partnership, the Chair of the Board of Governors reported that a more detailed paper to Committee had been requested evaluating the project in the context of probity and transparency given Mr R Landman's conflict of interest as a Director of the Sisonke Partnership.

It was noted from this paper (tabled at the meeting) that the proposed investment by the College involved a phased payment of £30k in three £10k instalments.

The Chair referred to the minutes of the previous Committee meeting where at Minute No 20/11 it was reported that a revised International Strategy had been developed to be submitted to Board of Governors on 18 July. The Chair suggested that it would be helpful for Governors to have sight of the revised Strategy and the budget underpinning it.

Following discussion, the Committee agreed that a detailed proposal on the proposed investment in the Sisonke Partnership be brought to the Board of Governors on 17 October providing more detail on the project and the role of Mr Landman to enable the whole Board to participate in the decision. It was agreed that the report would be a confidential item.

The Committee further recommended that the Committee terms of reference should be revised to include a similar "term of reference" to the due diligence approval process "Invest to Save" but relating to the approval process for Investment.

Mr R Landman rejoined the meeting.

31/11 TENDER OUTCOMES

The Committee received a summary of the outcomes of competitive tender processes undertaken during the summer for services that exceeded £30,000 in value.

32/11 TRANSPORT FLEET – ANNUAL REPORT

The Committee noted the annual report on the College's Transport Fleet as required by the College's Financial regulations (Regulation 8.15).