

THE CORPORATION OF THE COLLEGE OF NORTH EAST LONDON

Policy and Resources Committee

DRAFT

Minutes of the meeting held 7.00pm Wednesday 15 October 2008 in the Committee Room at the Tottenham Centre of the College.

Present: Mr M Cooke (Chair)
Ms C Sullivan
Mr P Head
Mr K Brown

Apologies: Mr L Brissett

In Attendance: Mr C McCutcheon (Vice Principal Finance and Resources)
Ms J O'Neill (Vice Principal Curriculum and Learner Experience)
Mr W Pitumpe (Director of Finance)
Ms C Wills (Director of Human Resources)
Mr D Mathieson (Secretary to the Corporation)

789 Urgent Business and Announcements

There was no urgent business.

790 Declarations of Interest

Declarations were received from Mr P Head, Ms C Sullivan, and Mr K Brown in respect of Item 8 External Providers.

The Committee AGREED to:

i) **Note the declarations.**

791 Minutes of the Meeting held 23 June 2008 (PR625)

The Committee AGREED to:

i) **Approve the minutes as a true and accurate record of the meeting.**

792 Matters Arising

Minute 783: The Principal advised that the Investors in People revalidation visit in July had resulted in successful outcome and a highly positive report on the college from the assessor.

793 Human Resources – Director’s Report (PR626)

Ms Wills presented the report explaining that the changes requested by members had been incorporated and now showed trend data. She drew attention to key points from the report.

The increase in the number of grievances relates to one specific issue. As the college does not have a collective grievance procedure, each case has to be dealt with individually. The Principal explained the background to the situation and how this related to a particular group of staff.

Interviews had taken place for the post of Director of 14 – 19 replacing Mr Paul Lalgee who leaves at the end of the week. Unfortunately it was not possible to make an appointment. Two candidates withdrew before the interview both of whom were from outside the London and the South East area. It is thought that the costs of relocating to London are a negative factor in attracting candidates. A number of other London Colleges have recently advertised similar posts and there appears to be a general skill shortage at this level.

In response to a question Ms Wills clarified the issues and the implications of new legislation associated with the Immigration, Asylum and Nationality Act which took effect in 2008.

The Committee AGREED TO:

- i) Note the report.**

794 Finance and Related Reports (PR627)

Management Accounts

Mr McCutcheon advised that the accounts were the predicted ‘year end’ for 2007-08. The year had been good with an expected operational surplus of £0.75 million with no reduction in cash reserves, and LSC targets met. He highlighted the challenges ahead in 2008-09 particularly in meeting LSC targets. On behalf of the committee, the Chair thanked Mr McCutcheon and Mr Pitumpe on the excellent outcome for the year.

The Committee AGREED TO:

- i) Note the report.**

Learner Recruitment

The current position was summarised by Mr McCutcheon describing an overall deficit in 16-18 numbers, and described strategies being employed to redress the shortfall. He advised that, under the new funding methodology, learners do not count for funding purposes until they have been on long courses for six weeks. Drop out rates have been modelled into predictions for the year to inform target numbers in promoting 'late start' and additional franchise provision. In response to questions he clarified issues regarding the implications of recruiting too many adult learners highlighting the risks to funding.

The 'Train to Gain' (T2G) Budget has increased substantially with CONEL as the lead partner in the consortium. The contract this year amounts to £4million for the college and presents a substantial challenge. Mr McCutcheon stressed the importance of driving up T2G provision throughout the college.

In response to questions Mr McCutcheon clarified issues relating to the new funding methodology. The Principal explained how the college would vire resources from areas of the college that had under recruited, to those where there was greater demand, or into franchise provision, although there can be consequential staffing difficulties.

The Committee were alerted to the fact that £100,000 (20%) from the contingency budget will need to be allocated to fund additional provision. It was requested that financial values be included in the next report.

The Committee AGREED TO:

- ii) Note the report and that the sum of £100,000 from the contingency fund will be allocated to fund additional provision necessary to ensure LSC targets are met.**

Risk Management Plan Update

The report summarised key changes to the risk register. Mr McCutcheon advised that the Health and Safety issue would be discussed at item 9. Regarding the risks associated with 'Organisational Risk', the Committee requested a report for the next meeting.

In response to a question on risks associated with subsidiary companies, Mr McCutcheon clarified that KIS has its own risk register. The main risks

associated with the college's subsidiary companies is to reputation rather than financial. It was felt that a separate section should be added to the college risk register to enable governors to monitor risks associated with subsidiaries

Financial Status under Framework for Excellence (FFE)

The report covered the financial aspects of FFE and Mr McCutcheon took the meeting through the key areas of the grading process. The college's results for 2007-08 in respect of financial health were graded 'Outstanding'. Predictions for 2008-09, and the two following years, show that if targets are met, this grade will be maintained. The Principal explained a dilemma faced by the college associated with the property strategy that, might affect the grading relating to use of resources.

It was noted that a presentation on FFE would be made to the Corporation at its next meeting to ensure that governors are fully aware of the implications.

The Committee AGREED TO:

- iii) Note the report.**

Investment Strategy

The report was put to the committee in light of the current difficulties being experienced in the financial markets, and in particular banking. The college operates within the agreed policy of no more than £1million being invested with any single bank. The only exception relates to the current account with Barclays where over £3million may be held including £1.5million cash-backed reserve. Mr McCutcheon explained how CONEL uses the services of a brokerage. Funds are paid directly into the banks with no deposits paid through the brokerage. The meeting discussed the current individual organisations where college funds were invested and noted that these demonstrated a cautious choice.

The Committee AGREED:

- iv) To confirm the policy as fit for purpose**
- v) To recognise the need to maintain funds in excess of £1million and up to £4million with Barclays in a current/call account**
- vi) That no investment should be made with banks based overseas in the present climate. (This does not include UK based banks under foreign ownership such as Abbey National).**

Property Strategy

The new framework approach developed by the LSC requires the appointment of a project manager, cost management advisor, and a design team. Tenders were sent out on behalf of CONEL and Enfield College to five firms specialising in this work and will be selected by an interview panel comprising 2 governors (one from each college) the Principals of each college, the Vice Principal Finance and Resources (CONEL) and the Director of Finance (Enfield College).

It is proposed that a Property Sub-Committee, reporting to the Joint Steering Group is established. The Secretary circulated draft terms of reference for members to consider outside of the meeting.

The Committee AGREED:

- vii) That Mr Cooke be the CONEL Governor representative on the Selection Panel**
- viii) That Mr Cooke and Mr Brown be the CONEL Governor members of the Property Strategy Group.**

795 External Providers (PR628)

Franchises and Partnerships

The report described a number of revisions to the plan and a detailed breakdown of providers, targets and forecasts.

The Committee AGREED TO:

- i) Note the report**
- ii) Confirm the revised plan**

Joint Ventures

In response to questions Mr McCutcheon advised the committee of the background to, and operations of the Edmonton based Construction Training Centre Ltd. (CTS). He explained the status of the company, Conel Innovation Services Ltd (CIS) as a subsidiary of CONEL and how the nature of staff contracts enables flexibility in the delivery of provision. The college marketing service is supporting the drive to bring in the 250 learners required by CIS to deliver its targets. An experienced manager has been appointed on consultancy basis for six months to run CTS.

The Committee AGREED TO:

- iii) **Note the report**
- iv) **Confirm the Chair's action taken to assign the lease of the Centre to CONEL**
- v) **Approve the operation of the Centre through CONEL Innovations service Ltd**
- vi) **To approve the budget and set up costs**

796 Health and Safety Annual Report 2007-08 (PR629)

Ms Wills presented a report that raised a number of issues needing to be addressed to ensure the fitness for purpose of health and safety arrangements, and compliance with legislation and duty of care.

Specific issues considered included:

- Risk Assessments: Attention is needed to ensure that managers have the skills, or access to those who do, and ensure that risk assessments are carried out properly in timely manner. This is not consistent across the college as identified in a recent internal audit report. The need to separate out those processes that require generic, or specialist risk assessments was identified.
- A fundamental review of health and safety is to be undertaken by an external organisation. Immediate outcomes of this will be the identification of urgent actions by the college to provide immediate assurance, and longer term actions to make CONEL an outstanding institution for health and safety. The review will also report on the level, and deployment of resources necessary to manage health and safety. The committee welcomed an offer from Ms Sullivan to review the consultancy brief before it is sent out.

The Committee AGREED TO:

- I) **Approve the report for presentation to the Corporation Board**
- II) **Endorse the action taken by management.**

797 Renewing the Physical Infrastructure of English Further Education Colleges (PR630)

The paper provided a summary of a report from the National Audit Office. It was felt that this report should inform the Property Strategy Group when extant.

The Committee AGREED to:

- I) Note the report.**

798 Policy and Resources Committee Draft Work Plan 2008-09 (PR631)

The Committee AGREED TO:

- I) Approve the Work Plan 2008-09**
- II) Note that the plan will be reviewed termly and will inform the governance self assessment process.**

799 Date of Next Meeting

Wednesday 3 December 2008

The Secretary was asked to seek member's availability to enable a date change for the meeting 24 June 2009.

800 Urgent Business

There was no urgent business.