

THE CORPORATION OF THE COLLEGE OF NORTH EAST LONDON

POLICY AND RESOURCES COMMITTEE

Minutes of the meeting held 7.00pm Wednesday 24 June 2009 in the Boardroom at the Tottenham centre of the College.

Present: Mr M. Cooke (Chair)
Mrs J. Bax
Mr P. Head
Mr K. Brown

Apologies Ms C. Sullivan

In attendance: Mr D Mathieson (Secretary to the Corporation)
Mr P. Head (Principal)
Mr C. McCutcheon (Vice-Principal Finance and Resources)
Ms J. O'Neill (Vice-Principal Curriculum and Learner Experience)
Mr W. Pitumpe (Director of Finance)
Mr S. Wright (Chairman Enfield College)

840 Urgent Business

The Chair welcomed Mr Steve Wright to the meeting.

841 Declarations of Interest

Mr P Head, Mr M Cooke and M Keith Brown declared interests in respect of Item 9 External Provision.

842 Minutes of the Meeting held 13 May 2009 (PR653)

The Committee AGREED:

i) To approve the minutes as a true and accurate record.

845 Matters Arising

Min 836

The Principal announced that emailed confirmation had been received from the LSC that the Minister for the Department of Business, Innovation, and Skills (DBIS) had approved the merger with Enfield College with effect from 1 August 2009. No announcement will made to staff and other stakeholders until a formal letter of confirmation is

received. He identified the need to review the governor/management working arrangements for the merged board.

846 Human Resources Report (PR654)

Employment Tribunal.

The Principal presented an update concerning the grievance employment tribunal involving a number of hourly paid lecturers (HPLs). Mr. McCutcheon, Ms O'Neill and Ms Wills have been representing the college with a barrister provided by college's legal insurers. Following a two day hearing the judge has asked the parties to work together to try and identify a mutually acceptable resolution. Should this not be achievable the matter will be heard at a 21 day court hearing. It is however thought that a settlement might be achieved in the near future. In response to questions the Principal explained potential financial implications associated with a settlement, and clarified the nature of 'HPL' and 'fractional' teaching staff contracts. It was confirmed that the costs identified related to changes in contracts after settlement and that there would be no retrospective liabilities. The Chair thanked all concerned in dealing with a difficult issue and noted that resolution of the matter would address an outstanding point identified in the due diligence report on CONEL.

Resignations have been received the Director of Human Resources Christine Wills, and the Head of Personal Janet Curtis-Broni.

The Committee Agreed:

- i) To note the report**

847 Finance and Related Reports (PR655)

a) Management Accounts

Mr. Pitumpe reported a forecasted operating surplus of £461k and a historical cost surplus of £504k. The college cash position is good with cash reserves in excess of £10m at the end of May. He highlighted a number of key issues relating to ESF projects, and In response to questions clarified the SLN ratios in appendix 3 and the impact on numbers. He clarified why with fewer numbers income was continuing to grow. The Principal updated the meeting on the impact of changes to the funding strategy.

The Committee AGREED to:

- i) Note the report**

b) Risk Register Update

Mr. McCutcheon drew attention to one minor change to the risk register associated with the HPL employment tribunal.

The Committee AGREED to:

ii) Note the report

c) Budget 2009-10 and 3-Year Financial Forecast 2009-2012

Mr. McCutcheon spoke of the extensive business planning process that had been undertaken across the two colleges in preparing the Budget and 3-year Financial Forecast for the merged college. Attention was drawn to a number of key points:

- Forecast surplus £499k in first year of merger;
- A workforce reduction of 10fte in the first year;
- There will be a reduction of provision in some non target bearing course areas;
- Where it is proposed to offer non target bearing provision, reports to the committee should include justification and be included in the work plan;

The Chair advised that the social need associated with this type of provision should be balanced against financial implications. Management is addressing these issues through the curriculum and financial planning. Ms O'Neill stressed that the college cannot continue to offer provision with low learner numbers and/or poor levels of achievement. In response to a question the Principal clarified the costs associated with the ICT infrastructure and progress to date.

Mr. McCutcheon updated the meeting on the post merger pension position.

The Committee AGREED to;

iii) Recommend the Corporation APPROVE the Budget 2009-10 and 3-Year Financial Forecast 2009-2012

d) Learner Support Fund

The Principal explained the context of the report and advised that, while Learner Support funds were dealt with in the college accounts, it is a requirement of the financial memorandum a separate report is considered annual by governors.

The Committee AGREED to:

iv) Note the report

e) Capital Program

The outlay on preparatory work for the building project was £600k plus vat. A bid has been included on the LSC list for a potential contribution towards these costs. In response to a question the Principal advised that much of this preparatory work will be useful to the college in the future as a full set of plans and related information are now available.

The Committee AGREED to:

v) Note the report

f) Bank Mandates

Amendments to the bank signatories were required due to the merger to facilitate financial management.

The Committee AGREED to the following signatories to college bank accounts from 1 August 2009:

vi) The Vice Principal Human Resources and Development (added to Barclays);

**vii) Principal and Chief Executive
Vice Principal – Curriculum and Learner Experience
Vice Principal – Finance and Resources
(added to Lloyds Bank and RBS)**

g) Insurance Tender

Mr. Pitumpe advised the meeting that tenders from 3 companies had been considered. It was recommended that the current insurers Zurich be retained as the College insurers. It was clarified that costs of provision are related to volume of business and claims record.

The Committee AGREED to:

viii) Approve the appointment of Messrs Zurich as the College insurers.

848 External Provision

a) Trading Accounts College Subsidiaries

Mr. McCutcheon explained issues relating to the trading deficit on the CIS account and clarified franchise arrangements with the college that effectively negates the shortfall. In response to a question he advised that CIS plans to expand to work with organisations other than the college.

The Committee AGREED;

i) To receive the accounts.

b) Partnerships and Franchised Provision

Mr. McCutcheon advised that the Corporation are required to confirm partnership and franchising arrangements for the coming year. He clarified issues relating to Enfield's franchising provision and how this will be managed into the merged college.

The Committee AGREED to:

iii) Recommend the Corporation approves the Partnership and franchise proposals for 2009-10.

d. Joint Enterprises

The Principal advised that, following a review of Urban Futures, the college will cease to be a member of this organization and accordingly he will be stepping down as a director.

The Committee AGREED to:

iv) Note the report

849 Governance Issues (PR657)

a) Corporation and Committees Terms of Reference

The committee considered terms of reference for the corporation and its committees prior to approval by the board. A number of minor amendments were made:

Finance, Policy and Resources.

TOR 1 Determination of Staff Complement - DELETE

Community/Centre Forums

Amend to take account of changes to the membership as considered by the Search Committee.

b) Committee Workplan 2009-10

The Secretary advised that the plan would be reviewed at the end of the first term as other issues may arise out of the merger.

The Committee AGREED to;

- i) Recommend the Corporation approve the terms of reference of the Corporation, its committees and forums.**
- b) Approve the Committee Workplan 2009-10**

850 Date of Next Meeting

7.00pm Wednesday 30 September 2009

851 Urgent Business

There was no urgent business.

Signed
(Chair)

Date: 30 September 2009