

**Minutes of the Resources Committee Meeting held in the Innovation Centre
Tuesday 31st January 2023 at 4.45pm**

Present: Margaret Boneham (independent member)
Michelle Brabner (Principal)
Rob Firth (Committee Chair independent member)
Alex Kenny (independent member)
Alex Gamil (Committee Vice Chair)
Paul Walker (Corporation Chair)

In Attendance: Lisa Farnhill – Clerk
Paris Bonwick - Assistant Principal MIS and Apprenticeships (up to and including item 7)
Mark Burrows – Vice Principal Curriculum and Performance (up to and including item 8)
Adam Gordon – Health and Safety Officer (up to and including item 6)
Kevin Williams – Vice Principal Finance and Facilities
Andy Winrow - Head of Finance (up to and including item 12 only)

Apologies: Stephen Musa - Assistant Principal Student Experience and Welfare

Minute No.	Minutes	Action
R.23.51	Open and Welcome The Chair welcomed members and attendees, thanking them for their time, introducing the Vice Principal Curriculum and Performance to members that had not yet met him, welcoming him to his first meeting of the Committee and thanking him for attending on behalf of the AP Student Experience and Welfare.	
R.23.52	Item 1: Apologies for Absence With no member apologies for absence, the meeting was confirmed as quorate. Members noted the Vice Principal was in attendance to present item 8 on behalf of the Assistant Principal Student Experience and Welfare. <u>Item 1 - Noted:</u>	
R.23.53	Item 2: Declarations of Interest None were made. <u>Item 2 - Noted:</u>	

R.23.54 Item 3: Approval of the Minutes of the Meeting Held on 21st November 2022 and the Extraordinary Meeting on 12th December 2022

The Committee Chair asked for a formal note of gratitude to be recorded for the detailed and informative minutes, inviting members to raise any points of inaccuracy. With none raised, the Committee offered unanimous approval for the minutes.

Item 3 - Approved: *The Committee resolved to approve the minutes as a true record for the meeting held on 21st November 2022 and the extraordinary meeting on 12th December 2022.*

R.23.55 Item 4: Actions Summary

The Clerk summarised the follow up actions as noted on the minutes. It was clarified that the additional information relating to school applications would be available within the applications dashboard, which was now available, however, the need for a college device to access the server information through a VPN was delaying roll out to Governors. Consideration was being given to the issuing of devices to Governors or alternative ways of providing the data.

Members noted the target date for the review of CPD policies and potential clawback as well as the review of teaching and back office staff cost split, both being due in April.

The VP Finance and Facilities added that a draft agreement for staff CPD had been received from the solicitors, therefore this action was on track for completion in April.

In relation to converting the loan to a grant, the Principal summarised the conversation with the FEC and ESFA at the Strategic Conversation, with the Vice Principal Finance and Facilities provided with the contact details of another college in a similar position, with this to be followed up jointly.

Members noted all other actions were embedded into the meeting papers.

The Clerk confirmed that following the request of the Standards Committee for parity in terms of assessing meeting impact, the post meeting survey had been introduced, with 6 responses received. Members noted no follow up questions, other than a request for due care in relation to the terminology used within the employment trends paper.

Consideration for the number of papers was made, with members asked if they felt there needed to be more frequent meetings, or if it was considered to be a one off issue in relation to the staff pay award. Members agreed to keep this, along with meeting length under review.

A member asked why an action remained outstanding for over twelve months, with it confirmed that this was in relation to the CIMP, which was because the Plan was not scheduled for review until this meeting, however, had now been deferred due to staff absence. It was clarified that the action was as a result of governor concerns over the operational nature of the Plan presented in January 2022, with the action being to delegate Plan approval to the SLT, and draft a policy for members to approve, outlining roles, responsibilities and testing arrangements, removing the need to review the level of detail that had been incorporated into the Plan. After discussion, members agreed that a new

Committee

policy was not necessary, they would continue to approve the Plan, however, wanted to ensure that it was accompanied by an executive summary of changes to the plan alongside a report detailing any instances resulting in the use of the plan as well as testing arrangements and outcomes. It was suggested a working party could be formed, to include governors and any external agencies that would respond to incidents, to support the more detailed review of the plan and testing arrangements, noting that testing in some circumstances was of limited value due to the range of incidents covered by the plan as well as the unpredictability of human nature when dealing with some types of critical incidents.

VP F&F

VP F&F

Item 4 – Resolved: *The Committee resolved to note the details of the actions report, subject to the replacement of the CIMP policy action with a covering report with the next presentation of the Plan, noted as deferred until April.*

R.23.56 Item 5: Confidential Business

5.1 - Identify any minutes that need to be regarded confidential

Members confirmed minute R.23.39 (item 13) from the meeting of 21st November 2022, and minute number R.23.47 (item 6), from the meeting of 12th December, both covering the staff pay award, were considered to be confidential and to be redacted from the public copy. Members proposed publication would be to the detriment of ongoing pay discussions with unions.

The commercial sensitivity of R.23.48, item 7 on December 12th, relating to Capital Bids, was reviewed. Members acknowledged the deadline for bid applications would have passed by the time minutes were published, and considered whether the discussion relating to implementation and timing of new courses and proposed curriculum changes needed to be redacted, however, concluded that this could remain within the published minutes.

5.2 - Determine whether any items of business are confidential and should be discussed in a separate part of the agenda

Members reviewed the agenda and confirmed that the financial information relating to proposed cost savings to maintain financial viability and solid financial health were considered sensitive, however, only the VP and Head of Finance would still be present for these items, therefore there would be no requirement to adjust the agenda order. Consideration for redaction of these sections of the minutes would be made at the next Committee meeting.

Item 5 - Resolved: *The Committee resolved to redact minute R.23.39 (item 13) from the meeting of 21st November 2022, and minute number R.23.47 (Item 6 from December 12th 2022). The Committee agreed to review the cost savings discussions under the Item 9 on this agenda in confidence without the presence of non-finance staff.*

R.23.57 Item 6: Health and Safety Update

The Health and Safety Officer summarised his report to the Committee, highlighting the following key points:

- A summary of the policies and procedures reviewed and changes since the last meeting

- Training, for all staff and first aiders, noting a reluctance for people to become first aiders, and to then be on the rota, increasing the pressure on those who would provide cover, with particular concern for the KGV site
- Concerns over the complexity of first aid incidents, particularly around emotional needs, counteracted through increasing agency links as well as onsite support and a 'buddy system' to mitigate risks and ease concerns
- Accident and near miss training increased awareness and reporting, creating a positive proactive culture of safety and incident avoidance
- Increased compliance and 'beyond compliance' particularly around legionella testing
- Improved recording facilitating statistic monitoring to see trends to allow for reflection and planning.
- No RIDDOR incidents in the reporting period
- Increased internal reporting and quarterly working group meetings, to be reported half yearly to the Committee.

Members asked about the impact of the follow up training and regular update sessions, including one to one support for the first aiders. The Committee members were informed these had been positively received and were two-way sessions, enabling the Health and Safety Officer to ascertain any training gaps, support needs and potential compliance issues or concerns, whilst staff fed back about increased confidence to deal with issues as a result of the support. Members asked about mental health first aid training, and were reassured by the number of staff, including first aiders, that had completed the training.

The Committee asked if a fire risk assessment had been carried out, and whether the condition survey had flagged any necessary fire related remedial works. The Committee were informed the delay in completing the assessments had been intentional, to ensure they could take into account the latest requirements, following two recent legislative updates. This was now scheduled for the summer, with the fire service engaged to support with the process, with a follow-up to then be undertaken every two years.

Members asked if there were contingency funds for any health and safety remedial works and were advised the estates budget prioritised and health and safety needs, with an example of the loose plaster and render recently repaired to prevent risk of injury.

The Health and Safety Officer was asked about the availability of and training for the use of the defibrillator, with the Committee assured that there was one at each site, with staff trained in its use as well as the option for untrained staff to use the operator guidance. Further assurances were given around the awareness of the limited life-span of the pads, with checking incorporated into monthly site inspections.

Members commended the Health and Safety Officer for the work undertaken, particularly around awareness raising and reporting in relation to near misses and accidents.

Clarity was provided over reference to an 'Interim Head of Estates', noting the temporary absence of the current post-holder due to ill-health with the current structure outlined to ensure essential roles were covered.

Item 6 - Resolved: *The Committee resolved to accept the assurances provided by the update and provided approval for the Statement of Intent.*

R.23.58 Item 7: Employer Engagement Strategy Update

The Assistant Principal MIS and Apprenticeships confirmed the KPI's as circulated at the last meeting were now being used to measure the effectiveness of the strategy. Progress was summarised, with governors asking if cost saving measures had resulted in the reduced rating on the 'Find an Apprenticeship Service'. The Principal confirmed the proposals discussed in the Extraordinary Meeting had not been implemented as they were still being considered and would not be consulted upon until after the Pay Award was finalised. It was suggested staff shortages, due to long term absence and difficulties to recruit to some key areas had impacted the rating. Communication was considered to remain an area for development, impacted by capacity and expected to improve now OneFile was fully implemented.

Asking about the financial impact of failing to achieve the target for starts, members were advised the financial target would be met based on recruitment to apprenticeships with higher rates of funding, however, efforts to engage more businesses continued.

Members asked for comparative data to be included in the next report, with an update against the last reported position and against the same point in the previous year, as well as any national or sector data available.

**AP MIS &
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The item concluded with the Committee assured of investment in the area, with training, support, staffing and resources allocated to facilitate improvements, reflecting on the national picture, with almost half of apprentices not completing their apprenticeship. The Principal advised the Committee that many college's had struggled to meet their targets in relation to industry placements, however, Southport was on track, with a target of 87 and 118 students either scheduled or already on placement, thanking the AP MIS and Apprenticeships and his team for their work in relation to this.

Item 7 - Resolved: *The Committee resolved to accept the update subject to the inclusion of comparative data in future reports.*

R.23.59 Item 8: Marketing Strategy 2022/2023: Recruitment Update and Progress Report

The Vice Principal Curriculum and Performance delivered the report on behalf of the AP Student Experience and Welfare.

Increases in applications for Southport against a reduction for KGV were highlighted, noting an overall reduction against the same point in the previous year. In response to a question, members were advised of a sector wide trend for school leavers to make applications later in the year, as well as making multiple applications, and accepting multiple college place offers, with this increasing in recent years.

School links were described as strong, with conversion from course discussions high, indicating a confidence the shortfall would be eradicated later in the year. This was contextualised by data indicating a year-on-year increase of around 54 school leavers, with Southport College continuing to

hold a considerable market share when considering the number of local competitors.

Members noted the high retention rates, indicating students that enrolled were satisfied, asking why half of those attending open evenings did not apply.

In response to questions around course availability and the curriculum offer, members were assured that feedback indicated this was not the reason for not applying, with a number of students choosing to attend more than one open event ahead of applying, as well as an increasing number of younger students attending that are not yet able to apply.

Members were advised of an anticipated positive impact on enrolment as a result of the Skills Bill, with increased awareness and support campaigns in relation to the work of Further Education Colleges, which was also seeing more younger students explore FE options ahead of the year in which they need to apply.

In concluding, members discussed the increasing brand strength of KGV, supported by a broad offering and positive student experience, assured by plans to focus on creating a similar positive perception of Southport, with a unique brand and improved curriculum offer, building on the national campaigns around technical and vocational qualifications.

Item 8 - Resolved: *The Committee resolved to accept the update.*

Item 9: Financial Reports

R.23.60 Item 9.1: Annual Review of Tuition Fees

The Vice Principal Finance and Facilities summarised the report and confirmed there were no proposed changes to the fee structure and reminded the Committee of the additional regulatory requirements from the OfS in relation to increasing the HE fees above the current threshold.

Members were advised of the intention to review the offer at the Strategy Event.

Item 9.1 - approved: *The Committee resolved to recommend the Corporation approve the Tuition Fees for 2023/2024 and 2024/2025.*

R.23.61 Item 9.2: Management Accounts November and December

The Head of Finance confirmed that the presentation and approval of the management accounts was closely linked to the updated budget to be presented by the VP Finance and Facilities under item 9.7.

Members noted that the position in December superseded that of November, and with no questions or comments, the November accounts were approved.

Members were given a detailed summary of the December accounts, highlighting a £206,000 reduction in the forecast from the budget presented in July, with individual lines reviewed, noting the impact on the financial health, which reduced the rating from 'Good' to 'Requires Improvement'.

Members clarified the loan figures, noting the difference was the scheduled payments of £300,000 to be made within the next 12 months.

Balance sheet adjustments in relation to additional capital projects were summarised as well as highlighting the year end provisions made in the last two years, with the LCR invoice having been paid in the days preceding the meeting.

Student number forecasts and concerns over HE enrolment were discussed at length, with the VP Finance and Facilities invited to summarise the additional annex of the proposed costed savings plan.

Text redacted.

The Committee thanked the Head of Finance and approved the management accounts for December.

Item 9.2 - approved: The Committee resolved to approve the November and December Management Accounts.

R.23.62 Item 9.3: Risk Update

The VP Finance and Facilities summarised the changes to the risk register in relation to those lines relevant to the terms of reference of the Committee. Members noted the overall increased risk rating, with all movements except one seeing an increase to the risk score.

IT risks were detailed, with reasons and mitigations summarised, alongside the impact of staffing issues including absences and vacancies.

Staffing issues were considered in detail in the context of sector-wide issues, which had previously been confined to specific roles and areas, but were now widening, noting the financial impact due to advertising and agency costs as well as the impact on delivery and morale for existing staff.

The national strike action was discussed, with KGV unaffected by the SFC/teaching strike on the 1st as it was no longer legally designated as a sixth form, noting the ballot should have not taken place. The Principal confirmed staff with childcare issues due to school and class closures were being supported.

Item 9.3 - noted: The Committee resolved to accept the updated risk scores and mitigations.

R.23.63 Item 9.4: Investment Policy & Performance, including Treasury Management

The Head of Finance summarised the investment performance over the last 12 months and highlighted key aspects of the policy which remained unaltered from the previous presentation.

Changes to the base rate and current return rates were discussed, noting the decision to hold shorter term deposits when the long term deposit matured in

2021/2022 due only marginally higher rates offered for long term deposits. The Head of Finance confirmed that consideration was now being given to long term options as the rates being offered are now increasing.

Members asked how working capital was calculated, with the pay dates and week by week cashflow discussed.

A member asked what the assumed interest was in the financial forecasts, and suggested the increased income from the rate rises could be used to offset the necessary cost savings and reduce the impact on staff and students. Members were assured that the additional income would be used to offset any student experience impact, with the revised investment income yet to be included in the updated financial forecast.

Item 9.4 - approved: The Committee resolved to approve the policy and noted the update.

R.23.64 Item 9.5: Capital Grant Application Update

The VP Finance and Facilities reminded the Committee of the proposals discussed at the Extraordinary meeting in December.

Members were advised progress had been made and the SLT intended to submit two bids ahead of the forthcoming deadline. Proposals in construction and health science were outlined, with anticipated costs of £1,000,000 and £750,000. Advice from the ESFA and FEC team offered during the strategic annual conversation had been to submit with a zero contribution rate, which the College was assured would not impact the likelihood of acceptance, however, justification would be sought. The VP confirmed this would provide a further opportunity to discuss the loan and consideration for this being amended to a grant.

The timeframe for the application and decision were discussed, along with works completion deadlines, with consideration given to the impact on staff and students during the works. Members were assured by plans to adjust the curriculum to ensure the practical elements were frontloaded, avoiding any impact on course delivery.

The Committee asked for an update once decisions are available, welcoming the positive feedback from staff who were excited by the plans. Members, highlighted how the focus on growth and opportunity were welcomed and hoped the outcome would be positive.

Item 9.5 - noted: The Committee resolved to accept the verbal report.

R.23.65 Item 9.6: ESFA Financial Health Dashboard

The VP Finance and Facilities advised the Committee that as Governors, they could be granted access to view the dashboards directly to see live updates, although conceding updates were infrequent. Members were provided with the access information and members thanked the VP for the information, confirming they wished to continue to receive PDF information following an update.

Attention was drawn to staff costs as a percentage of income, noting the pay increase would have a further negative impact. EBITDA being below sector

averages was also highlighted. Members noted the previous financial health position of outstanding, reminded this was due to prudent clawback provisions, and were advised a pension adjustment of £50,000 had caused a shift in the current financial health grade, with the narrow margins discussed.

Item 9.6 - resolved: The Committee resolved to accept the update, noting the details of how to access the dashboard, asking for PDF's to still be provided.

R.23.66 Item 9.7: Financial Forecasts and MOT Returns

The VP Finance and Facilities explained that there was no longer a requirement to submit the mid-year return to the ESFA, however, had produced it to ensure governors had accurate insight into the half year financial position.

The adjustments as detailed under item 9.2, management accounts, were highlighted, with the Committee informed of further information used to support the forecast, including the setting up of a detailed spreadsheet to monitor hourly pay, ensuring a higher level of oversight and control in relation to pay.

Income was discussed in detail, noting that the college had seen an increase in to 16-18 enrolment in the previous year. The TU plan incorporated year on year increases, however, governors noted enrolment had not increased at the same level this year, with the financial forecast updated to reflect the lagged funding effect of the stabilised student numbers. The previous year's increase was contextualised in terms of the sector, with other colleges having not seen the growth they had in the previous year.

Reduced income and reduced staffing costs as a result of enrolment below target was detailed, with members confirming the savings were in year and continued into the following year.

Governors were informed enrolment onto adult courses in January were expected to result in the allocation being met, however, adult loans remained below target due to the launch of grants for the same qualifications. The financial impact for the current and future years had been prudently estimated, with £110,000 adverse adjusted in 2022/2023 and a further reduction of £100,000 in 2023/2024.

The Committee was informed of measures to closely monitor energy usage, with the budget expected to be sufficient, noting that despite a considerable reduction in consumption against the same point in the previous year, costs had increased by £12,000 per month across both campuses.

An increase to pay as a percentage of income was highlighted, with proposed cost savings built into the update, whilst acknowledging this would not be actioned without an agreement on pay.

Members confirmed that the financial health would be 'Requires Improvement' for this, and the subsequent year based on the forecast, and proposed the additional investment income would go some way to improving the position. Members considered the reputational impact of the financial health grade against the need to maintain high quality provision, discussing the time impact of any additional intervention and oversight as a result of any sustained period with the reduced health score. Members agreed a managed period with a reduced health score was preferable to cuts that would impact

the student experience, however, urged staff to continue to review where efficiencies could be made. Members agreed that this needed to be considered by the whole Corporation and would consider this in more detail at the strategy event when reviewing the Corporation's attitude to risk.

Members considered whether reclassification would impact on the perception and tolerance of financial health in the sector, noting the financial health of a number of colleges across the sector falling as a result of the current financial crisis, asking if this would make the DfE more or less likely to intervene to support a college in financial difficulties. The VP Finance and Facilities summarised a discussion held with the auditors, who had suggested the drafting of the 'Going Concern' statement should in theory be easier.

In concluding the summary, the VP Finance and Facilities highlighted how lower enrolment in apprenticeships was not expected to impact the financial position due to higher rates of funding for those that had enrolled.

The VP Finance and Facilities was thanked for the transparent summary.

Item 9.7 - resolved: The Committee resolved to accept the update and present it to the Corporation as essential information.

R.23.67 Item 9.8: Strategic Objective SO4 Action Plan

The VP Finance and Facilities summarised the updated action plan, providing a detailed overview of issues and work to rectify problems in relation to IT, including the impact on exams due to recent system failures.

The issues experienced at KGV were reviewed at length, and although the complexity prevented a timescale for resolutions, the Committee was assured that plans in place would ensure improvements are long term and not more temporary solutions.

Further considerations for future-proofing and ensuring services are self-sufficient were detailed, noting that these would only be possible once system improvements conclude due to the cost implications of initiating them ahead of rectifying current issues.

Item 9.8 - noted: The Committee resolved to accept the update.

R.23.68 Item 10: Strategic Objective 5 Action Plan

The Principal confirmed actions were on track and invited comments and questions. Members discussed the delay with initiating the Staff Committee, with it explained that this had been due to staffing changes and high absence levels and was scheduled to take place in the coming weeks.

Members noted regular meetings between the Principal and Clerk improved the flow of information between the SLT and Governors and thanked the Principal for the update.

Item 10 - Resolved: The Committee resolved to accept the update.

R.23.69 Item 11: Accommodation Update

The Vice Principal Finance and Facilities summarised the update, described as light following recent large scale capital projects.

Recent works were summarised, including initiatives to reduce energy consumption. The implications on the safety for lone workers was considered when reducing lighting in communal areas, alongside the cost benefit analysis of sensor lighting.

Members confirmed the timeframe for spending the grants totalling £500,000, with assurances provided over careful consideration as to the most efficient utilisation, cross-referenced with the condition survey.

Item 11 - Resolved: *The Committee resolved to accept the update*

R.23.70 Item 12: Critical Incident Management Policy

Committee members confirmed as per the update during item 4, review of actions, they were superseding the action and resolution to delegate the review of the plan to the SLT, no longer requesting an overarching policy, instead, returning to Committee level review and Corporation approval of the Plan, subject to a detailed summary of changes being provided.

It was confirmed that staff absences had prevented a review of the Plan, which had subsequently delayed the drafting of a policy which was now to be replaced with a report outlining testing and incidents, to be presented alongside the Plan in April.

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Item 12 - Deferred: *The Committee resolved to defer approval of a CIMP until the next meeting of the Committee in April and revoked their request for a policy.*

R.23.71 Item 13: Items to be Reported to the Corporation

The Clerk summarised the items as included on the agenda of the Corporation to be presented as follows:

- Advise the Corporation the Committee has approved the investment policy
- Present the Annual Review of Tuition Fees (for approval)
- Present the Financial Health Dashboard (For information)
- Present the Financial Forecast Update (as essential information)

Members were informed by the Corporation Chair of a new process to be introduced, where the executive summary would include a summary of the discussion by the committee, highlighting what was being presented and why, including key points the Committee has raised and discussed in relation to the report presented.

Members clarified that the comments would be agreed by the Committee Chair and Vice Chair, with drafting supported by the Clerk.

Item 13 - Resolved: *The Committee resolved to present the information to the Corporation as detailed above.*

R.23.72 Item 14: Date Of Next Meeting (and Closing Comments)

The VP Finance and Facilities asked for permission to raise two items of further business. The Chair agreed on behalf of the Committee.

The Committee was informed of plans to strengthen links with a local Multi Academy Trust by letting office space. In the context of safeguarding students, members asked about facilities and site access and were assured by the measures in place in relation to safeguarding, noting as school employees, they would already have undergone the checks relevant for staff working in regulated activity, with processes in place for evidencing this to provide assurances to the College.

Members were advised that although the College could not academise, they could create a partnership agreement, offering guaranteed places for learners and collaboration through mutual support.

The second item raised was the informing of an incidence of payroll fraud, with the Committee informed of what had happened, and the immediate updates to procedures to prevent further instances. The Head of Finance confirmed all monies had been reimbursed and in response to questions, confirmed further staff awareness training would be delivered.

The next scheduled meeting was confirmed as Wednesday 26th April 2023.

Item 14 - Noted:

The meeting closed at 7.30pm