

**Minutes of the Resources Committee Meeting held via Microsoft Teams on  
Wednesday 18<sup>th</sup> May 2022 at 5pm**

- Present:** Christine Bampton (Corporation Chair)  
Margaret Boneham  
Michelle Brabner (Principal)  
Rob Firth  
Paul Walker (Committee Chair)
- In Attendance:** Stephen Musa – Assistant Principal (Student Experience and Welfare)  
Kevin Williams - Director of Finance and Facilities  
Andy Winrow - Head of Finance  
Lisa Farnhill – Clerk
- Apologies:** None
- Absent:** Alex Kenny (Committee Vice Chair)

Minute No.	Minutes	Action
<b>R.22.70</b>	<b>Open and Welcome</b>  The Chair welcomed everyone to the meeting, thanking members and attendees for their time.	
<b>R.22.71</b>	<b>Item 1: Apologies for Absence</b>  The Clerk confirmed no apologies had been received, with a Committee member having resigned from the Corporation due to work pressures since the last meeting and a member absent. The Clerk advised there had been difficulties with emails being blocked, therefore it was considered possible they may be having technical difficulties accessing the meeting.  <b><u>Item 1 - Noted:</u></b>	
<b>R.22.72</b>	<b>Item 2: Declarations of Interest</b>  The Clerk declared that she was the Clerk to the Governing Board for St Mary's College in Blackburn confirming her term as a Governor for St Barnabas in Darwen had now ended.  <b><u>Item 2 - Noted:</u></b> The Committee noted the declaration made.	
<b>R.22.73</b>	<b>Item 3: To approve the minutes of the meeting held on 26<sup>th</sup> January 2022</b>  The Committee Chair invited members to raise any points of inaccuracy. The Clerk confirmed that a member had requested an amendment following inclusion of the minutes in the Corporation pack which had been updated	

ahead of requesting approval. With no further points 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 26<sup>th</sup> January 2022.**

**R.22.74 Item 4: Actions Summary**

The Clerk highlighted there had been a number of actions, summarising the updated process for circulating management accounts between meetings in line with sector best practice. Members noted that other actions were either marked as complete, or included in the agenda, with members noting that improving governor visibility and interaction was ongoing. The CIMP would have an overarching policy drafted for member approval, with no implementation date yet agreed, with a review underway and it possible it would be timed to coincide with the usual timing for the next full review of the CIMP, in January.

Members noted that the review of HE provision continued, with the strategy to be presented on May 26<sup>th</sup>.

With no questions or comments, the report was accepted.

**Item 4 – Noted The Committee resolved to note the details of the actions report.**

**R.22.75 Item 5: Confidential Business**

**5.1 - Identify any minutes that need to be regarded confidential**

The Committee confirmed nothing from January needed to be redacted from the public copy of the minutes.

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

Members considered item 8.5 should be treated as a confidential item that would need to be redacted from the public minutes.

**Item 5 - Resolved: The Committee resolved to review item 8.5 confidentially without the presence of staff.**

**R.22.76 Item 6: Enrolment update**

The AP Student Experience and Welfare provided a summary of enrolment, highlighting the positive position in terms of applications, higher than the two previous years.

Members acknowledged the slight decline in accepted offers against the position in 2021/22, however, this was considered to be due to the return to pre-pandemic processes of onsite attendance to course interviews, and acceptance, rather than a phone call. Although lower, it was proposed that these would result in higher conversion to enrolments than when accepted over the phone, as the onsite attendance indicated a greater commitment to and engagement with the college.

Members were informed of the success of a new open event targeting year ten students, with questions asked about how attendance data would be used to provide targeted information to the students. Members were assured by follow up processes in place, as well as informed of the college's decision to buy into a system that provided additional market data including courses students were working towards and the college's current market share, with it expected to support future curriculum planning and marketing activities.

A summary of 'keeping warm activity' and positive work around internal progression was warmly received, with members congratulating the AP Student Experience and Welfare for the improved application rates.

Members asked which courses had exceeded application targets and which needed to be supported to improve, with the AP Student Experience and Welfare providing a summary of the data for the two sites. This included details of courses that had exceeded expectation and those that had struggled to gain interest, advising where this was a trend reflected in other colleges, with members asking if action plans were in place to support increased recruitment.

The item concluded with members asking for clarity around the link between application and enrolment, based on previous conversion rates, with a summary of the working targets provided, with the Dir Finance and Facilities confirming that the financial impact was included in the financial forecasts to be covered under item 8.4.

**Item 6 - noted: The Committee resolved to note the update.**

**R.22.77****Item 7: Updated ESFA Guidance**

The Clerk informed the Committee that the report summarised the key changes in the guidance issued annually by the DfE in relation to the financial management of Colleges. It was noted that although the guidance was largely operational in nature, it held relevance for governors as accountable for the oversight of the financial performance of the College. The Clerk highlighted the updated submission date for the College, with the Dir. Finance and Facilities having negotiated a later submission date for the quarterly return due in April. It was also noted that no additional submission dates had been included for those in receipt of restructuring funding for 2022/23. The Dir Finance and Facilities confirmed he had fed back to the ESFA his preference for only a half year update, with the additional two quarterly returns being excessive in terms of workload and oversight. The Committee was advised of positive movement in relation to referencing the transaction unit targets, now considered to be historic and not taking account of the Pandemic, however, this was only in relation to student numbers and not financial stability. Members asked for clarification in terms of reporting against the TU targets, and were advised of the changes in the DfE and ESFA along with the potential reduction in overall civil servants which is expected to impact on their capacity to maintain their current level of oversight, with it possible returns may reduce.

The Dir Finance and Facilities summarised recent discussions and debate in relation to updates to the financial health scoring which would result in a large number of Colleges, including Southport, moving from 'good' to 'inadequate' due to the debt cover ratio. The Committee confirmed that the shadow

arrangement would continue until the decision was finalised relating to the changes.

***Item 7 - Resolved: The Committee resolved to note, accept and have due regard to the updated guidance.***

**R.22.78 Item 8: Financial Reports**

**Item 8.1: ESFA Confirmation of Financial Health Grade and Updated Dashboard**

The Dir. Finance and Facilities presented the report, informing the Committee it was based on the financial statements submitted in December for 2020/21, with the financial health grade, as expected confirmed to be 'requires improvement'.

Members were informed that the benchmarking data had been delayed due to the election, and would be released in the coming weeks. It was agreed that the recommendation for the Corporation to have regard to the report should be deferred until after the benchmarking information was included.

Dir. F&F

***Item 8.1 - Noted: The Committee resolved to note the update, agreeing to circulate this to the Corporation as essential information after the benchmarking is incorporated in June.***

**R.22.79 Item 8.2: Financial Regulations**

The Head of Finance informed the Committee of the background to the document, having been fully revised and redeveloped from the CIPFA model by a working group a few years earlier, with subsequent updates having due regard for the latest guidance relevant to the College Corporation.

The Head of Finance summarised the changes as detailed in the executive summary. These included the updated process for reviewing and approving the management accounts; the ACOP requirement for tendering for external auditors at least every five years; removal of the post Brexit references in relation to procurement and an increase to the petty cash limit, which had not been reviewed for a number of years. These were all accepted by the Committee without question or comment.

The Head of Finance provided detailed rationale for increasing the bank signatories, extending from Senior Post Holders to include the Senior Leadership Team. This would include a clause requiring at least one of the two signatories to be a Senior Post Holder. Members discussed the impact of the changes, including questioning limits and consideration for whether these would need to be updated. Members were assured by the additional safeguards already in place and agreed with the recommendation, offering approval for the update.

The final point, relating to who could classify an incident as a disaster and agree to deviation from the financial regulations was discussed at length. A point had been raised ahead of the meeting in relation to the positioning and flow of the statement, resulting in further scrutiny of the link to the recently approved CIMP. Initially it had been thought the statement could be removed as a duplication of permissions detailed in the CIMP. However, the Clerk

confirmed that whilst the plan references the need to seek approval for deviation, and highlights the decision making powers of the Critical Incident Committee, it did not specify who could approve deviation from the regulations in times of a critical incident.

Members agreed with the recommendation for inclusion, confirming it was more logical to be within the financial regulations than the CIMP and should extend to include the Resources Committee Chair in addition to the Corporation Chair and Principal. Members noted that inclusion of the Resources Committee Chair was in keeping with permission for other instances where it is necessary to deviate from the Financial Regulations, as with the clauses around tendering processes.

***Item 8.2 - Approved: The Committee resolved to recommend the Financial Regulations to the Corporation for approval, subject to the updating of the sentence detailing who could categorise an incident as a disaster resulting in a deviation from the Financial Regulations. Members approved all other updates, including the clause to extend the number of bank signatories to now include members of the Senior Leadership Team in addition to Senior Post Holders, with each event requiring the signature of at least one Senior Post Holder.***

**R.22.80      Item 8.3: Management Accounts**

The Head of Finance confirmed that in line with the process updated in January, the Management Accounts for January and February had been circulated by email, with only March included in the pack for a more detailed in meeting review.

Members were informed that they had been adjusted in line with the forecasts to reflect the MOT papers, with the adjustments detailed in the revised forecast column, tying into annex two of the MOT reports, which provided the additional detail of where the figures are built up from.

The positive adjustments in relation to the KPI's were highlighted, noting the clawback provision of £300,000 remained on the balance sheet, to be brought back in at the end of the year.

Members noted that the visual indicators of improvement and decline on the summary had not been updated to reflect the improved position, with the Head of Finance agreeing to update these for the Clerk's files and submission to the ESFA.

**Head of  
Finance**

***Item 8.3 - Approved: Members approved the management accounts for January, February and March.***

**R.22.81      Item 8.4: Market Oversight Team Report**

The Dir Finance and Facilities summarised the report and associated returns required as a condition of the loans and grants awarded under the merger process.

The following key points were drawn out and highlighted to members:

- The increased unit funding rate of 8.5% to deliver the 40 additional hours per learner has been factored in
- As agreed at the Strategy Day, the aspirational market share increases have been revised down to 10.5% next year and 12% the following year
- Prudency has been applied to the progression target, revising it from 90% to 85% with a summary given on the impact on student numbers
- Teachers' Pension Grants have been extended with a commitment to continued support, either by grant or built into the funding formula, with this year's allocation £80,000 higher than assumed
- Confirmation received in relation to high needs, work placement funding and tuition funding, all which will be factored in to the next update
- £60,000 funding relating to a digital T Level that will not run has been drawn back by the ESFA, however, additional capital and income will be realised from the other T Levels
- Prudency applied over static achievement in relation to AEB allocations despite overachievement this year
- National Skills offer will continue with an assumption they will not deliver to allocation, noting an allocation of £160,000, capped at £120,000
- Assumed reduction in advanced learner loans due to the impact of the Level 3 offer in the National Skills Offer at no cost to adult learners. Noting loan income should be replaced with government grants, with a similar bottom line, with the potential for a slight increase
- Apprenticeships continue to grow in terms of numbers and income, however, caution applied relating to forecasting continued growth, noting that although improving, applications are not at pre-pandemic levels
- A full revision of the HE income and associated expenditure has been undertaken as a result of the revised course offer following declining applications
- 'Other income' has not recovered to pre-pandemic levels with £69,000 removed overall
- A detailed analysis of payroll has taken place, with in-built flexibility to allow for growth
- A review of non-pay has incorporated a further £40,000 for agency and recruitment costs as well as allocating a further £50,000 to the energy budget, on top of the £90,000 added in January
- A 3 year plan for £450,000 of reactive building work has been prepared with the Head of Facilities, made up of capital and revenue, with a further contingency for cleaning, noting this will be considerably less than had been required during the Pandemic
- The Condition Survey has indicated £10,700,000 will be needed over the next ten years, with a considerable portion in the first three years which needs to be reviewed, risk assessed and prioritised
- Plans to improve the flow and student experience through the relocation of the student hub and entrance over summer may impact some budgets, but will be closely monitored.
- This is a close reflection of the July outturn, with £300,000 claw back provision to be built back in and earmarked for priorities within the condition survey

- Further savings may be achieved from non-pay, with a need to review curriculum budgets, noting these were set ahead of faculty changes,
- The budget for the next two years indicate 'good' financial health, with the overall picture improved from January

Members commended the Dir. Finance and Facilities for the work undertaken, complementing the level of detail that remained accessible to non-finance governors. The budget was considered to be realistic and prudent, with concern raised over the additional work associated with some areas, with members asking if work could be delegated, including the action plan and risk analysis around the condition survey.

Although in agreement that the condition works may not all be immediate priorities, members expressed caution over avoiding preventative works, highlighting how subsequent repairs often have higher long term cost implications.

The Principal commended the Dir. Finance and Facilities for guiding and managing the expectations of the SLT when considering plans for curriculum improvements, with his pragmatic approach appreciated and in need of formal recognition.

Members concluded by acknowledging it was a more positive budget, whilst accepting that the financial position remained tight and in need of close monitoring, expressing their gratitude for the diligence and oversight of the Dir. Finance and Facilities.

***Item 8.4 - Resolved: The Committee resolved to support the submission of the MOT report's to the ESFA, asking for them to be presented to the Corporation as essential information.***

**R.22.82 Item 8.4: CONFIDENTIAL – Further Review of the Staff Pay Award**

This minute has been redacted and is held in a confidential file.

***Item 8.4 - Resolved: The Committee resolved to advise the Corporation that they had fulfilled their commitment to a further review of pay, and would make their recommendation on May 26<sup>th</sup>.***

**R.22. 83 Item 9: Accommodation Strategy Update**

The Dir Finance and Facilities advised the Committee, that as detailed under item 8.4, the planned reactive works had been budgeted and the condition improvement survey had concluded, with significant works recommended over a ten year period. The Committee were advised that a new Estates Strategy was being drafted with the support of Fusion, and would be finalised ahead of the June meeting of the Resources Committee.

***Item 9 - Noted: The Committee resolved to note the update.***

**R.22.84 Item 10: Asbestos Report**

The Dir Finance and Facilities confirmed removal works required as a result of the survey had been put to tender, with the tenders due to be opened on

Friday. Works were scheduled to be completed during the quiet summer period, and set to conclude ahead of staff returning in August.

In response to questions, members were advised that five tenders had been received, with no indication as to the expected costs until the tenders are reviewed.

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

**R.22.85 Item 11: Sustainability Strategy Update**

The Dir Finance and Facilities provided the Committee with a verbal update on progress to date in relation to the Sustainability Strategy, assuring members that the strategy and road map would be presented for approval in June, with considerable progress made to date.

The Dir. Finance and Facilities highlighted the different work streams, which extended beyond the premises, and included education and awareness for staff and students, although accepted there was some nervousness around building enthusiasm with limited financial resources to facilitate larger changes.

Members indicated it was an exciting opportunity for cross-college collaboration in a shared goal, asking if the priorities in the condition survey aligned with the sustainability strategy. Members were advised the £450,000 of works planned with the Head of Facilities would align; however, little in the condition survey would support the sustainability goals. A member suggested setting individual curriculum area targets, highlighting how a number of areas would already be contributing to the strategy, however, awareness may be limited with this not previously monitored or measured, which would improve with awareness and the implementation of the strategy. Members were assured that the Deputy Principal was working towards building sustainability into the curriculum model across all courses.

A member suggested approaching the College's bank to see what support and resources they were offering, providing details of pilot schemes being run to support banks with their own ESG targets, offering training and resources to their business customers to become more sustainable at no cost to the business.

**Item 11 - Noted: The Committee resolved to note the update.**

**R.22.86 Item 12: Any Other Business**

The Committee Chair confirmed members did not wish to raise anything further, ahead of asking the Dir. Finance and Facilities to update the Committee on the IT issues experienced in the previous week.

**Item 12.1 – IT Outage Update**

Dir Finance and Facilities confirmed that he had indicated to the Clerk and Chair, as detailed on the agenda, that he needed to provide the Committee with an update in relation to IT issues that saw the College loose access to all systems for just over one and a half days. Members were informed it took Dell a day to locate the issue, which related to vulnerability around the core

switch. Members were advised that as a result, a second switch would be created to prevent overreliance and a single point of failure, reducing the risk of future outage.

Although the issue was located and resolved, the caused remains unknown, with analysis of the incident impacted by a change in the head of IT in the days after the incident. Members were advised that due to the staffing changes, time should be given to the new IT Manager to assess the position and begin to implement changes ahead of presenting an updated strategy to the Committee, with a request for this to align with the internal audit on cyber security in October. It was agreed that this would be incorporated into the Committee work plan for November.

**Clerk**

A full breakdown of the timeframe and impact was provided by the Principal and members interrogated the information available. It was established that Dell advised of the overreliance on the single core switch at the time of the incident, however, members were notified of a previous audit that had included a recommendation around this as a risk twelve months earlier. Members challenged this information, questioning who was aware of the recommendation, if governors had been notified of the recommendations and why there had not been any action taken as a result of the audit. Members were informed that it had been not been an internal audit, therefore the report had not gone to governors, and the recommendations not followed up in the same way IAS recommendations are by the Head of Finance, therefore knowledge had been limited to those involved with the consultation and subsequent report.

Members expressed their disappointment over the inaction following the previous recommendation, raising further concerns over the value for money implications when paying for consultants and not acting on the advice given.

The Principal offered further clarity around lines of accountability and measures put in place to prevent further issues, in relation to IT and communicating advice and recommendations.

The Corporation Chair thanked the Principal for having kept her fully informed throughout, and the item concluded with the Committee acknowledging more issues may become apparent as the new manager provides fresh oversight to the department. It was accepted that resources would be needed to implement the necessary improvements, considered essential for safeguarding data and processes.

***Item 12 - Resolved: The Committee resolved to note the update and reassurances of the swift action undertaken and updates to staffing and processes to mitigate the impact of future issues.***

**R.22.86 Item 13: Items to be Reported to the Corporation**

The Clerk summarised the information as reviewed in the meeting that the Committee should consider presenting to the Corporation as follows:

- Item 8.2 – request approval for the Financial Regulations subject to the updating of the statement relating to declaring an incident as a disaster
- Items 8.4 - The updated CFFR and MOT reports – the Committee will advise the Board of the review of the MOT returns ahead of

submission to the ESFA, recommending these are reviewed as essential information

- Item 8.5 – Inform the Corporation that in line with their commitment in November, the Committee had conducted a further review of the staff pay award and advise of the outcome.

Members considered presenting an update in relation to the IT issues, however, were assured by the Principal who had already included this in her May report to the Corporation.

Members agreed in the interests of document minimisation, no other items needed to be recommended for information.

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

**R.22.87 Item 14: DATE OF NEXT MEETING (AND CLOSING COMMENTS)**

The next meeting was confirmed as Tuesday 28<sup>th</sup> June 2022 5pm, which would be onsite, possibly at KGV.

***Item 14 - Noted:***

**The meeting closed at 6.50pm**