

**Minutes of the Resources Committee Meeting held via Microsoft Teams on
Thursday 18th November 2021 at 5pm**

Present: Margaret Boneham
Michelle Brabner (Principal)
Rob Firth
Alex Kenny
Rik Simms
Paul Walker (Committee Chair)

In Attendance: Kevin Williams - Director of Facilities and Finance
Andy Winrow - Head of Finance (up to Item 12.4 only)
Stephen Musa – Assistant Principal (Student Experience and Welfare) (up to item 12.4 only)
Alison McDowell – Head of Personnel and Payroll (Item 12.1 only)
Chris Davenport (Head of ICT) (Item 9 only)
Vitoria Wickington - Assistant Principal (Teaching, Learning and Quality) (Item 12.3 only)
Lisa Farnhill - Clerk

Apologies: Kathy Passant (Corporation Chair)

Minute No.	Minutes	Action
R.22.22	Open and Welcome The Chair welcomed everyone to the meeting, thanking members and attendees for their commitment and time.	
R.22.23	Item 1: Apologies for Absence The apologies for absence from Kathy Passant as detailed by the Clerk were accepted by the Committee. <u>Item 1 - Noted:</u>	
R.22.24	Item 2: Declarations of Interest The Clerk declared that she was the Clerk to the Governing Board for St Mary's College in Blackburn and Governor for St Barnabas in Darwen. <u>Item 2 - Noted:</u> The Committee noted the declaration made.	
R.22.25	Item 3: To approve the minutes of the meeting held on 22nd September 2021	

The Committee Chair invited 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 22nd September 2021.

R.22.26 Item 4: Actions Summary

The Clerk noted that there had been a number of actions, with the Committee noting the update relating to ESFA clawback, which was now concluded. The Committee were advised that some actions would need to be followed up including the asbestos survey and production of the Gantt Chart, with it agreed that a contract data base to be reviewed with the Committee Chair to replace the Gantt Chart. The Dir. Finance and Facilities added further clarity over the estates strategy, advising that although the loan and grant agreements incorporated a requirement for submission of an estates strategy annually, the ESFA had not requested this within the quarterly returns. The Dir Finance and Facilities explained that this could be because they had submitted a plan that ran to 2024, with the ESFA aware that there were no plans for any capital spend. The Committee were informed that the ESFA had been contacted for clarity over the requirement and no response had been received.

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

R.22.27 Item 5: Appointment of a Vice Chair to the Committee

The Clerk confirmed that the position remained vacant, inviting nominations. Member Alex Kenny confirmed he remained interested but had been unable to discuss this further with the Committee Chair due to work commitments. It was agreed that the appointment be approved subject to Alex being satisfied of the involvement required following further information being shared between the Chair and Alex.

**Cttee
Chair/Alex
Kenny**

Item 5 - Approved: Members approved the appointment of Alex Kenny as Vice Chair to the Committee subject to confirmation from Alex following further information being provided .

R.22.28 Item 6: Confidential Business

6.1 - Identify any minutes that need to be regarded confidential

Item 10.3 from the meeting of 22nd September 2021 was considered as confidential, with the Committee recommending the content of minute R.22.16 be removed from the publicly available minutes.

6.2 - 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 as highlighted on the agenda, the Staff Pay Award should be held as a confidential minute, with no

other items needing to be discussed confidentially under a separate part of the meeting.

Item 6 - Resolved: *The Committee resolved to maintain all minutes from 30th June as a public record. The Committee agreed to maintain item 12.5 Staff Pay Award, as a confidential item.*

Item 7: Financial Reports

R.22.29 Item 7.1: Management Accounts – September and October

The Head of Finance summarised the management accounts for September, advising the Committee that the October management accounts would be circulated once complete and presented for approval at the next meeting in January.

**Head of
Finance**

The Committee were notified of two sets of adjustments with one effecting the forecast for the current year and the other affecting the year end position in terms of reserves and cash balances.

The Committee were informed of a reduction in income from HE streams of £172,000 and additional income of £50,000 from the 16-19 tuition fund carried forward, resulting in the deficit increasing by £119,000.

Attention was drawn to the balance sheet, noting an opening balance adjustment of £41,000 for depreciation on fixed assets as a non-cash item. Members were informed that the increase in cash by £457,000 was effectively the reduction in actual deficit for the previous year against expected outturn. Members were advised of the move in provisions, resulting in increased reserves and reduced pension liability as a result of the actuarial gain, which would be covered under the financial statements.

Risks relating to income streams, in particular HE and apprenticeships were highlighted with questions invited.

Members interrogated the data and information in relation to HE applications, and were assured that this reflected the national picture for FE colleges following a relaxation of entry criteria by universities and a general reluctance of adult learners to engage in HE courses during times of uncertainty. Measures to increase applications, including new courses to commence in January were outlined, with the Committee notified that the next set of accounts highlighting a worsening picture for HE income, with SLT engaged in strategic discussions to revise the offer and make it more desirable.

The link governor for HE informed the Committee that she had visited recently and been impressed by the facilities.

Members asked for additional clarity on the ESFA funding error, with an explanation provided as to how this would be treated in the management accounts, resulting in a balanced position by November.

Members were informed of the utilisation of the contingency, to support with COVID-19 related costs and work towards cyber essentials plus, with the committee notified that the deep cleans had resulted in the contingency of £70,000 being exceeded.

Members were notified of reduced 16-18 students following withdrawals, with enrolment down to 1670 from 1690, resulting in reduced growth which would be reflected in the half year forecast due to lagged funding. The Committee were reminded that the HE target was reduced from 196 to 142, with 156 enrolled, advising the Committee that the budget would be reduced by a further £120,000, however, there were plans to improve the position with the HNC Business commencing in January.

A member indicated that the College's financial position had been improved by an increase to the base rate. It was noted that the financial targets had been set based on the rate per student as it was in 2018, asking what the financial position would have been if rates had not increased, indicating the increased rate had masked the real cost of the losses. The Dir Finance and Facilities agreed that the increased rate had offered some protection against missed targets and agreed to calculate the difference and circulate this information.

Dir. F&F

The Dir Finance and Facilities was thanked for the improved summaries, with the Committee informed of a development in calculating the financial health of a college, which would result in the college being categorised as requires improvement due to the strength of the operating position. Members discussed the impact, and were advised of a period of shadow reporting, with the changes taking full effect from the next financial year

Item 7.1 - approved: The Committee resolved to approve the management accounts for September and to defer approval of the October management accounts to January.

R.22.30**Item 7.2: Financial Statements**

The Dir Finance and Facilities summarised the report, advising the Committee that they were being asked to review them from the perspective of the closing accounts, with the Audit Committee taking a broader view to include, fraud, regularity and controls.

The Committee were informed that the financial statements were in line with the period 12 management accounts and MOT returns reviewed in September, with the exception of a technical pension adjustment of £63,000.

Members attention was drawn to Annex 3 as a succinct summary of the key information, incorporating previous budgets. The increased deficit from £2,000,000 to £2,400,000 was highlighted, within the context of an anticipated deficit of £2,600,000, with the anticipated deficit reduced by lower non-pay as a result of the Pandemic, with savings in energy consumption and teaching costs.

Corrections required to Annex 4 were highlighted with notification that these would be amended ahead of being presented to the Corporation.

The low pension adjustment was noted, at £8,000 in comparison to £2,000,000 in 2020, with additional service charges and deficit repayment equalling out the actuarial gain.

Members discussed the progress to date on the audit, being advised that although ongoing, the majority of the work was complete, with members noting a high number of grammatical errors requiring updating ahead of final

submission. An action was noted for these to be addressed and an update circulated to the Audit Committee ahead of their meeting.

**Dir F&F/
Head of
Finance**

In response to member questions, the Dir Finance and Facilities confirmed that the internal audit contract would go out to tender in January for the contract to be in place for 2022/2023. The external auditors tender would then be run the following year and in place by 2023 for reviewing the accounts for 2022/2023. Members asked for the value and quality of service to be taken into consideration in addition to the cost.

Item 8.2 - Approved: The Committee resolved to recommend for approval the financial statements subject to the inclusion of any final amendments and corrections as highlighted by the Committee.

R.22.31 Item 7.3: Benchmarking Report

The Dir. Finance and Facilities advised the Board that this had been taken from the data submitted to the ESFA and therefore was always outdated, with it reflecting on 2019/2020, noting there were few colleges left in the same income bracket and this was reducing with colleges closing and merging. Members accepted the note of concern over the low number of smaller colleges, however, highlighted the data indicated the ability for small colleges to operate profitably.

Key differences were noted in lower than average salaries for teaching and support staff and room utilisation, acknowledging that the data for Southport College did not incorporate the recent restructuring exercise. Reflecting on the delay in the data set being produced, with it not likely to show the current position until 2023, members asked for an internal comparison to be done of the current position. The Committee were informed of the intention to undertake a more detailed analysis and benchmarking exercise of business support functions, with anonymous benchmarking against three colleges of a similar size, with the Committee supportive of the proactive approach to addressing the issue of outdated data.

Dir F&F

Members raised the prospect of efficiencies available from operating from a single site. Benefits and draw backs were discussed in detail, concluding that at present, amalgamating would decrease applications and turnover whilst reducing the potential for future growth. The Committee agreed to keep this under review.

Members highlighted the comparatively high IT spend and agreed to raise this with the Head of IT under item 9.

Members concluded that the data was useful and interesting but should be reviewed with caution due to the delayed availability of the information, low number of those for comparison in the lower income brackets and the unique differences between the colleges.

Item 7.3 - Noted: The Committee resolved to note the report.

R.22.32 Item 7.4: Industry Placement Capacity and Delivery Fund 2021/22 Project Report, Semester 1

The AP Student Experience and Welfare summarised the report, highlighting the reduced CDF which would be lower again in 2022/2023. Members noted the intention to strengthen the IT infrastructure and build capacity in the CRM system. With no questions or comments, the The AP Student Experience and Welfare was thanked for the report.

Item 7.4 - Noted: The Committee resolved to note the update.

R.22.33 Item 7.5: Strategic Objective SO4 Action Plan

The Principal provided the context for the new reports, designed to streamline reporting whilst ensuring that the Corporation were kept fully informed of progress against the strategic objectives.

The Dir Finance and Facilities summarised the seven key approaches to meet the strategic aim, describing it as another tool to support the Corporation and SLT in assessing efficiencies. Members were invited to ask questions and make comments, with it highlighted that the information was clear and concise and gave no indications of areas for concern.

Item 7.5 - Noted: The Committee resolved to note the update.

R.22.34 Item 8: Marketing Strategy 2021/22 Progress Report Semester 1

The AP Student Experience and Welfare summarised the report, providing members with an overview of the data from recent open events, described as positive, busy and vibrant. All had seen increased footfall, with subsequent applications also increased in comparison to previous years. Members were assured by the impact of targeted work by the School Liaison Team, with 120 applications this year against 40 last year for a school of concern, with activities planned to keep applicants engaged to support conversion and ensure that enrolment figures also increase.

Members asked if applications had increased evenly across both sites and were informed of increased applications and a possible post Pandemic recovery of lower level courses, with anecdotal evidence of delayed applications for students who had not had predicted grades or the opportunity to sit mocks to know what level they could work at or should be aiming for.

New courses had received high numbers of applications to date, indicating that there was a local market for them which the College had been responsive to.

Noting the fall in HE applications, members asked if marketing time and budget had been appropriately allocated. Members were assured that a full review of HE provision, including the offer and how it is marketed would be undertaken, noting a less captive audience making a costly and considered purchase made marketing HE more difficult.

Item 8 - Noted: The Committee resolved to note the update.

R.22.35 Item 9: IT STRATEGY 2021/2022

The Dir F&F introduced the Head of ICT who was welcomed to the meeting to summarise the report. Key points were highlighted, noting sixteen actions with five to be undertaken in January, with all considered to be on track, with some to be completed ahead of schedule.

Members were assured of the additional layers of security that would support the College in achieving the Cyber Essentials Plus accreditation whilst allowing more flexible working for staff through an integrated phone system.

Members asked for more details in relation to the rolling programme for the replacement of IT equipment, as raised within item 7.3 when benchmarking against other colleges. Members were informed that the laptops were on a five-year cycle with desktops on a seven-year cycle, with flexible working likely to see less desktops in use with a move to more laptops. Financial implications were reviewed, with the Head of IT advising against extending the cycle to maintain efficiency and reduce the likelihood of cyber security threats.

Members commended the Head of IT for the work towards the Cyber Essentials Plus accreditation as a detailed and complex process, thanking him for his report and time.

Item 9 - Approved: The Committee resolved to approve the strategy.

R.22.36 Item 10: Accommodation Strategy

The Dir. Finance and Facilities summarised the report, reminding the Committee that there were no capital projects planned, with the report focusing on the finalisation of the projects undertaken in the previous year. Difficulties in relation to the availability of contractors and supplies were provided, with the Committee assured that all claim forms and evidence had been submitted with no issues raised.

The Committee were informed of progress to date with drafting a new estates strategy that would engage curriculum staff to ensure curriculum development was embedded into the strategy to provide enhanced opportunities for accessing grants. The Committee were advised of difficulties in attracting surveyors due to availability and cost, with it likely that this element would commence in January with the strategy completed by April.

Item 10 - Approved: The Committee resolved to approve the strategy.

R.22.37 Item 11: Room Utilisation Report

The Dir. Finance and Facilities indicated concerns over the validity of the data used, which had not been verified, with some anomalies noted, where rooms were being used but not on the MIS system. Members were however assured that this was unlikely to affect the bottom line data.

Members were informed that action was required, with the low figure improved by the closure of Pennington during refurbishment, noting it would be lower now Pennington was occupied. Members were informed that there was currently no strategy for improvement, however this would be addressed. The Dir Finance and Facilities highlighted the potential for increased class sizes following a review of the size of some rooms at KGV, with some large

storage areas offering potential to be converted into classrooms to house larger classes.

Members asked how the utilisation was calculated, highlighting further opportunities for utilisation of spaces in the evenings, holidays and at weekends to bring in further revenue.

Members acknowledged that although poor, it reiterated points raised earlier, that there was the potential and opportunity for growth, with the Committee informed of the value of the size and availability of the space in marketing during the Pandemic.

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

Item 12: HUMAN RESOURCES REPORTS

R.22.38 Item 12.1: Staff Survey 2021

The Head of Personnel and Payroll provided the context for the report including the benchmarking of the data, with concerns raised over the declining response rates, with actions outlined to address this.

Results in all six sections were described as disappointing, but contextualised against the backdrop of the Pandemic and restructure process. Members were assured that the results were being analysed and had been shared with the CMT and reviewed at the UMF, with plans outlined to share them with staff in the newly formed staff committee, with actions for improvement summarised within the SO5 action plan.

Members discussed potential barriers to completion, including anonymity, technology and timing. It was concluded that the poor response rate was in line with declining scores as those with concerns would be more likely to complete the survey, skewing the responses, commending the college for their commitment to responding to the results. Members suggested engaging marketing and area leaders to increase responses, creating an element of competition in terms of completion rates.

Members considered whether the results could be compared more widely, outside of the sector, with it likely to demonstrate that the Pandemic had impacted morale nationally.

The item concluded with the Head of Personnel and Payroll and Principal agreeing to review the overall process and timing to ensure it fits with the needs of college and staff and provides meaningful results.

Item 12.1 - Noted: The Committee resolved to note the report.

R.22.39 Item 12.2: Union-Management Forum

The Principal provided a verbal summary of the latest meeting, which had been the first on site meeting in eighteen months.

The meeting was described as positive and productive, with honest and open debate and good mutual understanding.

The Principal summarised activities undertaken, with timing of staff presentations considered, analysis of staff survey outcomes reviewed and providing details the opening of a staff lounge, designed to facilitate a space for work or relaxation away from classrooms and offices.

The introduction of a Staff Committee had been described as positive by the unions, which would incorporate two staff representatives from each curriculum faculty, with eighteen staff in total, split evenly between curriculum and business support staff.

Other areas reviewed had been the appraisal process, sickness and absence, guidelines for hybrid working, health and safety and the staff pay award.

The Principal confirmed the College initiated pay award discussions to highlight that the process for review had commenced, with unions indicating there would be a sense of disappointment if discussions concluded with less than 1% award being approved.

Concerns relating to cross-campus working had been highlighted, noting unreasonable timeframes for travel which would result in time tables being reviewed.

The Principal concluded by advising the Committee that the next formal meeting would be in the spring, with availability for informal discussion ahead of that should any concerns arise.

Item 12.2 - Noted: The Committee resolved to accept the verbal UMF update.

R.22.40 Item 12.3: Strategic Objective SO5 Action Plan

Members noted that the summary indicated that all actions were on track, thanking the Principal for the summary.

Item 12.3 - Noted: The Committee resolved to note the update.

R.22.41 Item 12.4: Annual Staff Development Report 2020/21

The AP Teaching, Learning and Quality summarised the information, advising the Committee she was new to role, therefore the information was largely provided by those previously in post.

The underspend was contextualised, with online training reducing hospitality, consultancy and travel costs, with staff having taken advantage of a wealth of online training at no or low costs.

The Committee were assured that CPD had been tailored and adapted to meet the needs of the College during the Pandemic, including reflecting on government guidance and increasing the confidence of staff in delivering effective online lessons.

Plans for the year were outlined, influenced by outcomes and data, including themes highlighted during observations, deep dives and learning walks.

Members noted how the year on year data showed an increased number of attendees with a reduced budget, highlighting the efficiency and extended reach of online CPD.

Item 12.4 - Noted: The Committee resolved to note the update.

R.22.42

Item 12.5: STAFF PAY AWARD (CONFIDENTIAL) (Held at the end of the meeting)

Held as a confidential minute

R.22.43

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:

- Financial Statements (for approval)
- Staff Pay Award (Confidential) (for approval)

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.22.44

Item 14: DATE OF NEXT MEETING (AND CLOSING COMMENTS)

The next meeting was confirmed as Wednesday 26th January 2022 5pm.

Item 14 - Noted:

The meeting closed at 7.35pm