

**Minutes of the Resources Committee Meeting held via Microsoft Teams on
Wednesday 22nd September 2021 at 5pm**

Present: Margaret Boneham
Michelle Brabner (Principal)
Rob Firth
Alex Kenny
Kathy Passant (Corporation Chair)
Rik Simms (from item 2)
Paul Walker (Committee Chair)

In Attendance: Kevin Williams - Director of Facilities and Finance
Andy Winrow - Head of Finance (up to Item 10.3 only)
Stephen Musa – Assistant Principal (Student Experience and Welfare) (up to item 8.3 only)
Alison McDowell – Head of Personnel and Payroll (Item 10.2 only)
Jesamine Kelly - Assistant Principal (Quality and Performance) (Item 8.4 only)
Lisa Farnhill - Clerk

Apologies: None

Minute No.	Minutes	Action
R.22.01	Open and Welcome The Chair welcomed members and attendees to the meeting, confirming that the meeting was quorate. In opening the meeting, the Chair clarified the rationale for the late papers, acknowledging that members would not have had time to review them in detail. The Chair proposed members allow item 8.2 to be tabled with a full overview by the Dir of Finance and Facilities. The Chair confirmed that if time was insufficient, or if members wanted further time to review the reports ahead of approval, a further meeting could be called and this would be agreed once the item had been delivered. Members discussed in detail the timing and volume of information required at Committee and Corporation level, with an action noted for The Dir. Finance and Facilities to send a copy of the funding agreement to the Clerk for clarification relating to the approval of the MOT reports.	Dir F&F/ Clerk
R.22.02	Item 1: Apologies for Absence The Clerk confirmed there had been no apologies for absence and members not yet present could be having technical difficulties, agreeing to contact any member who did not attend to request retrospective apologies. <u>Item 1 - Noted:</u>	

Minute No.	Minutes	Action
R.22.03	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.22.04	Item 3: Appointment of a Vice Chair to the Committee	Chair/ Clerk
	The Clerk confirmed that the current Vice Chair felt it was now time to hand over the role having undertaken it for a number of years. One member requested additional information relating to the level of commitment and additional responsibility, with the Committee agreeing to defer appointment until the next meeting of the Committee.	
	<u>Item 3 – Deferred:</u> Members were asked to consider the position and make their interest know to the clerk ahead of the November meeting of the Committee.	
R.22.05	Item 4: To approve the minutes of the meeting held on 30th June 2021	
	The Committee Chair invited members to raise any points of inaccuracy. With none raised, the Committee offered unanimous approval for the minutes.	
	<u>Item 4 - Approved:</u> <i>The Committee resolved to approve the minutes as a true record for the meeting held on 30th June 2021.</i>	
R.22.06	Item 5: Actions Summary	
	The Clerk noted that there had been a number of actions, with updates included in the report, with some that would need to be followed up including the asbestos survey and production of the Gantt Chart. The Clerk invited the Dir of Finance and Facilities to provide an update on the ESFA clawback. The position was clarified, with the 16-18 clawback challenged as it related to lagged funding, with the challenge accepted. Provisions were in place for the remaining £2000 due to be clawed back, with remittance checked monthly however, the ESFA were yet to action the request.	
	<u>Item 5 – Noted</u> <i>The Committee resolved to note the details of the actions report.</i>	
R.22.07	Item 6: Confidential Business	
	6.1 - Identify any minutes that need to be regarded confidential	
	No aspects of the minutes approved were considered to be confidential.	
	The Clerk raised an action from the Audit Committee to ensure Committees were aligned in their approach to the transparency around discussions relating to the presence and management of asbestos and any impact this may have on recruitment.	

Members suggested that the minutes highlighted the obligations and actions as well as the Committee's commitment to the safe management of asbestos. The Committee concluded that due to the age of the buildings it was an expectation that asbestos would be present, and provided this was managed, it was not considered to be detrimental to recruitment, agreeing that the Committee's oversight of this should remain in the public domain.

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 10.3, Staff Pay Award, as a confidential item.*

R.22.08 Item 7: Enrolment Report

The AP Student Experience and Welfare informed the Committee of the evolving picture in relation to recruitment, highlighting the following key points:

- 16-18 recruitment had met the financial target and was 100 off the recruitment target, noting lower recruitment in previous years meant that there was a gap to be closed
- Southport College now had the market share of school leavers, with over 60% from some schools
- HE recruitment remained a concern, however, the position had improved from 117 when the report was written to 156 with an open event being considered beneficial in increasing applications
- Adult Education had 621 enrolled

Members discussed in detail the need for a dual target and commended the team for coming close to the transaction unit (TU) target for the first time since the merger, having made considerable strides to reduce the deficit in applications which had grown in recent years.

The Committee were informed that the TU targets had been set ahead of the merger and before the pandemic, noting they were ambitious. The Principal reminded the Committee that there had been a number of revisions to the financial forecasts and internal targets, resulting in multiple targets. This had since been simplified and condensed into two targets, the financial targets required to hit the budget, and the TU targets set by the ESFA at the point of merger. The Committee were reminded that the TU targets had not been revised since set, with it unclear if this would even be allowable.

Members concluded that the increased transparency relating to the targets ensured they were able to clearly see the progress made, highlighting how previous reporting against revised targets had masked the impact of under-recruitment from the Board. Members thanked all staff involved for their work in the recovery of the market share, agreeing that the success needed to be celebrated whilst not losing sight of the continued need to make up for lower recruitment in the past.

Members noted their concern over the HE targets, agreeing to discuss this further under the financial reports.

Item 7 - noted: The Committee noted the details of the update.

R.22.09 Item 8: FINANCE REPORTS

Item 8.1: Management Accounts

Members thanked the Head of Finance for the improved report incorporating the best practice as indicated in recent training, asking for clarification of the symbols used. An action was noted for the KPI's to be elevated into the summary, with a commentary along each line providing a top line summary to focus members attention on areas requiring further scrutiny.

**Head of
Finance**

The Head of Finance informed the Committee that the July Management Accounts would form the basis of the figures in the audit which would commence on Monday, highlighting the following key points from the report:

- Favourable variance of £497,000 in the operating deficit summarising the reduction in expenditure, including staffing savings, whilst noting sources of the increased income
- Deferred timing of equipment and grant spending, depreciation and carried forward grants and accruals for termination payments would increase cash balances with a positive variance of £456,000
- Although considered unlikely, provisions for the potential AEB clawback were highlighted as included and would remain budgeted until the final ILR in October
- Rolling cash flow included a reconciliation between budgeted cash balance for July 2022 compared to revised opening cash balance.
- £50,000 of unused tuition fund would be carried forward and included as funding income in 21/22
- Unused LCR test and learn funding would reduce income with a credit in the following year
- FRS 102 LGPS figures have been received which will result in a reduction in the deficit, however, are not yet included in the management accounts and will impact the reserves by around £60,000 with KPI's unaffected
- Timing differences on capital expenditure resulted in higher cash balances, ending the year £1.8m higher than forecasted, with grant funding spending expected to be completed by the end of the month.

The Chair noted that there had been limited time for review of the item, thanking the Head of Finance for the summary and inviting questions ahead of approval.

Questions were raised relating to the impact of outstanding adjustments on the audit, with clarification given that the audit field work would be completed in the coming week, with ongoing discussion and further adjustments up until the point of signing in December.

The Head of Finance confirmed that it was usual for closing and opening balances to continue to be adjusted in line with enrolment data, with the

accounts not signed off until December as the ESFA funding reconciliation would not be issued until December.

It was noted that although there were more points of materiality than was usual, this was due to the impact of COVID-19 and building in prudence for the potential clawback, however, the position was considered to be a 'worst case scenario' with only upwards adjustment expected.

Item 8.1 - Approved: The Committee resolved to approve the management accounts for July.

R.22.10 Item 8.2: College Financial Forecasting Return (CFFR) and Market Oversight Team (MOT) Returns (delivered after item 10.2)

The Dir Finance and Facilities confirmed that the management accounts had fed into the MOT and CFFR returns, summarising the content of the report and annexes, bringing the attention of members to the following:

- Recruitment was up with 136 more 16-18 year old than at the same point in the previous year and 97 better than the census figure
- Analysis of enrolment versus census data indicates a positive position for the last two years
- 16-18 recruitment is above the business plan target of 1715
- Due to considerable fluctuations over the three weeks, the forecast not has not been altered, reassuring the Committee that the changes are not material
- Enrolment changes were summarised as moving from 1729 on the 3rd, to 1747 on the 6th, 1692 on the 17th, standing at 1707 today
- Reassurance was provided for the apprenticeship targets, with the area lead declining to revise the target down due to pipeline work expected to ensure enrolment targets were exceeded
- HE target was revised down to 162, noting an updated position of only 6 away from the revised target, with income adjusted on the forecast to reflect the revised target
- The impact of lower HE recruitment results in a reduction in income of £176,000 in 2021/21, rising to £256,000 in 2022/23.
- The lower recruitment was considered to be new HE courses failing to attract learners, however, no further deterioration is expected
- AEB is ahead of the same point last year, however, adult loans are down on the same point last year, although had increased by 23 that day
- The £50,000 unutilised tuition fund from 2020/21 could be rolled into 21/22 but would be subject to clawback if not utilised in 2021/22
- No capital projects were planned, however, prudence measures were built in with the accommodation survey expected to highlight works needed
- The increased NI contributions had been incorporated
- Small classes would be reviewed for cost savings where available
- The bottom line impact of the forecast update was a depreciation of £122,000 in 2021/22 and £224,000 in 2022/23 maintaining good financial health but with narrow margins

- Any additional costs would need to have corresponding savings to prevent a financial health grade of requires improvement

Members questioned the drop in enrolment on the 17th, with the Principal explaining that online enrolment had meant that some had enrolled then never attended any of the subsequent events or lessons. On the day in question, staff had undertaken full review, removing students from the system that had enrolled but failed to engage since. The Committee were informed of plans to ensure future enrolment figures take into consideration the impact of online enrolment on potential actual enrolments.

Members discussed the impact of reduced income on the staff to income ratio alongside the need to reward staff to ensure quality could be maintained and ensure continued growth.

Members raised concern over the closure of small classes resulting in a reduced offer and reduced income, highlighting the damaging impact of turning away students when classes are full, agreeing that long term growth needed smaller classes in the short term, accepting the increased costs associated with this.

Members discussed concerns over the HE recruitment and agreed that the offer needed to be reviewed alongside a cost benefit analysis for direct funding to ensure continued growth. The Committee supported the proposal to consider this as part of the Strategy Day to ensure sufficient time for detailed review.

Principal

Members agreed that the overview had been sufficient and they accepted and approved the returns, subject to receipt of the final quarter 4 monitoring return.

Dir F&F

Item 8.2 - Approved: The Committee resolved to recommend to the Corporation the MOT reports and CFFR for approval.

R.22.11 Item 8.3: Industry Placement Capacity and Delivery Fund 2021/22 Project Report, Semester 1

The AP Student Experience and Welfare informed the Committee that the full allocation had been spent in 2020/21, with a significant proportion used on staffing. The processes were streamlined in 2020/21 and as a result of a reduced allocation for 2021/22, staffing costs in the Work Placement Team have been reduced from £101,848.86 in 2020/21 to £82,898.59.

Plans to utilise funding to improve employer engagement through the use of a Customer Relationship Management system were outlined.

Item 8.3 - Noted: The Committee resolved to note the update.

R.22.12 Item 8.4: HE Tuition Fees and Refund and Compensation Policy 2021/2022

The AP Quality and Performance summarised the changes, highlighting the requirement for the policies to be reviewed annually, whilst maintaining the previous policy on the website as relevant for the cohort that enrolled under

that policy. There were no regulatory changes, only minor amendments with part time HE students now on the same fee level.

The Committee agreed to recommend the policy for approval.

Item 8.4 - Approved: The Committee resolved to recommend the policy to the Corporation for approval.

R.22.13 Item 9: Accommodation Report

The Dir. Finance and Facilities confirmed that there were no capital projects planned and all previous projects were now completed with reconciliation and final invoices to pay, expected to conclude in October.

In response to a question, members were assured of the safe completion of the asbestos removal works and the issuing of the relevant certificates. The committee were advised that quotes were being obtained for the survey, noting that additional staff training had also been undertaken.

The Committee were informed of the intention to undertake an estates survey to support the completion of an estates strategy, with the tendering process detailed.

Members commended the intention to incorporate curriculum planning and delivery into the strategy, asking if utilisation of the full KGV site would be incorporated into plans.

The Committee indicated concern over the outcome of the report, which would highlight areas of need with no capital allocated for completion. Members were reassured that this would be fed into the next CFFR return as part of the half yearly forecast which has been discussed with the FEC team at the DA visit.

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

Item 10: HUMAN RESOURCES REPORTS

R.22.14 Item 10.1: Union-Management Forum

The Principal summarised the update, noting that the last report had been at the early stages of the consultations.

The Committee were informed of improved working relationships and open dialogue resulting in the effective management of the consultation process, with no compulsory redundancies.

There had been some feedback of the handling of the process in relation to delaying standing down business support staff. The decision was defended as being in the best interests of the staff, waiting until they were certain they were not at risk, considering the delay as having a less negative impact than standing them down only to then put them at risk again.

The Committee were informed that the unions had been consulted on the arrangements for a safe return to college in September, with all relevant guidance reviewed and incorporated. The unions requested the college develop a hybrid working policy, which had been completed, however, there

had been a misunderstanding relating to the terminology, which was clarified with the unions satisfied.

The Principal informed the Committee that some unions were utilising regional reps in place of local reps, with the college supporting them in encouraging someone to come forward for the position.

The Principal concluded by reiterating the importance of the good working relationship based on transparency and trust, with intention of moving towards delivering joint communications.

Item 10.1 - Noted: The Committee resolved to accept the UMF update.

R.22.15 Item 10.2: Employment Trends Report 2020/2021

The Head of Personnel and Payroll summarised the report and associated annexes, noting minimal changes, with a reduction in absences and no notable changes in any of the reported characteristics.

In response to a question, the Head of Personnel and Payroll confirmed that removing redundancies and retirements reduced the staff turnover by 12.3%.

Members asked if the low diversity reflected the local and student populations and were assured that it fitted with the Sefton census information. An action was noted to review the student data, and this was updated during the meeting, with the Committee informed that the student population was 95% white British, confirming that the staff data aligned with the student cohort.

Item 10.2 - Noted: The Committee resolved to note the update.

R.22.16 Item 10.3: STAFF PAY AWARD (CONFIDENTIAL) (Held at the end of the meeting)

This minute is confidential.

Item 10.3 - deferred: The Committee resolved to recommend to the Corporation for approval the pay award for 21/22 in December following further consideration.

Item 11: HEALTH & SAFETY REPORTS

R.22.17 Item 11.1: Health & Safety Annual Report

The Dir. Finance and Facilitates summarised the report, confirming that COVID-19 had denominated the work in relation to health and safety, with the lockdown periods reducing other activities and reducing incidents.

The Committee were informed of difficulties in filling the health and safety officer role, with the current role holder now due to leave, resulting in the need to re-advertise the role.

The Committee were assured that the duties would be covered during any period of absence by the Head of Facilities Management.

Item 11.1 - Noted: The Committee resolved to accept the Health and Safety Update and recommend it to the Corporation as essential information.

R.22.18 Item 11.2: COVID-19 Update

The Dir. Finance and Facilitates reassured the Committee that all relevant guidance had been reviewed ahead of updating the risk assessment, which had been well received by staff and unions.

The Committee were informed that the SLT had reviewed the approach, which focused on respecting the personal choice of individuals, whilst maintaining safety measures including increased ventilation, cleaning and sanitising stations which would be in place until at least October.

Item 11.2 - Noted: The Committee resolved to note the update.

R.22.19 Item 12: ANNUAL ASSESSMENT OF PERFORMANCE

The Clerk summarised the content of the report and confirmed that this approach was being undertaken by all committees with the assessments being submitted to the governance committee.

Members acknowledged the need for more forward planning to reduce the number of special meetings and late papers. The Committee accepted that in approving to the self-assessment, they agreed with the observations and would work towards improving the areas highlighted.

Item 12- Approved: The Committee resolved to approve the annual assessment of performance.

R.22.20 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:

- **College Financial Forecasting Return (CFFR) and Market Oversight Team (MOT) Returns (for approval):** To present for essential information the updated CFFR ahead of submission to the ESFA by 30th September and Market Oversight Team (MOT) Returns. The Clerk agreed that the approval of these needed to be confirmed following review of the grant and loan agreements.
- **Accommodation Update:** To present the updated accommodation report for information.
- **HE Tuition Fees and Refund and Compensation Policy 2021/22 (for approval):** To be recommended by the Committee for Corporation approval
- **Health & Safety Annual Report:** To present the report as essential information to the Corporation
- **Staff Pay Award (Confidential)** To inform the Corporation of the decision of the Committee to defer the decision on the Staff Pay Award

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

R.22.21 Item 14: DATE OF NEXT MEETING (AND CLOSING COMMENTS)

The next meeting was confirmed as Thursday 18th November 2021 5pm.

In concluding the meeting, the Chair thanked members for their extended time and attendance in what had been a longer than expected meeting, which had ensured there had been open debate over important aspects of business.

Item 14 - Noted:

The meeting closed at 7.35pm