

Minutes of the Extraordinary Resources Committee Meeting held via Microsoft Teams on Tuesday 23rd February 2021 at 5pm

Present: Margaret Boneham
 Michelle Brabner (Principal)
 John Fell (Chair)
 Rob Firth
 Kathy Passant
 Rik Simms

In Attendance: Eddie Green - Vice Principal Services
 Andy Winrow - Head of Finance (Items 6.1 and 6.4 only)
 Jesamine Kelly - Assistant Principal Curriculum and Quality (items 6.2 and 6.5)
 Anne-Marie Francis - Vice Principal Curriculum and Quality (item 8)
 Lisa Farnhill - Acting Clerk

Apologies: Alex Kenny

Minute No.	Minutes	Action
	<u>Open and Welcome</u>	
	Committee Chair, John Fell welcomed members and attendees to the meeting, with particular thanks to the acting Clerk for stepping in at short notice ahead of her formal appointment.	
R.21.38	<u>Item 1: Apologies for absence</u>	
	The apologies of Alex Kenny were provided and accepted by the members of the Committee.	
	<u>Item 1 - Noted:</u> The Committee noted and accepted the apologies.	
	<u>Item 2: Declarations of Interest</u>	
R.21.39	The acting clerk declared that the Vice Principal for Curriculum and Quality, Anne-Marie Francis was a member of the governing board at a College clerked by the acting clerk.	
	<u>Item 2 - Noted:</u> The Committee noted the declaration made.	

R.21.40 **Item 3: Minutes of the Previous Meeting of 23 November 2020 and the Extraordinary meeting of the Committee held on 27th January 2021**

The Committee Chair asked if members wanted to work through the pages of the minutes for accuracy, with the Committee confirming that they had read the circulated minutes and were happy to approve them.

Item 3 - Approved: The Committee resolved to approve the minutes of 23rd November 2020 and 27th January 2021 as an accurate record.

R.21.41 **Item 4: Matters Arising / Actions Summary**

The acting clerk confirmed that the circulated summary indicated that all actions were undertaken with the exception of R.21.27, governor training and R.21.34, executive summary support for SLT. The acting clerk confirmed that these would be followed up by the clerk/director of governance once in post, with a start date of 1st March still to be confirmed. **A member commented** on the improvements already noted in the quality of the summaries provided, **with another member** adding that these were well received.

The Chair asked members if there were any matters arising from the minutes not included within the agenda. VP Services highlighted that subsequent information and actions from item 6.2, financial statements (November) needed to be provided to the Committee.

It was noted that the financial statements recommended by the Committee were given subsequent approval by the Corporation on 14th December 2020; however, the auditors were unable to sign them off until the ESFA funding audit was resolved. The ESFA were made aware of the delayed accounts submission with an extension granted. The funding audit concluded in early February with funding errors of £40,000 identified, with £17,000 related to 16-18 funding, noting this was within the £25,000 provision in the accounts. The VP Services suggested that as this related to funding not yet received, it was unclear if this would be clawed back, noting that should this be the decision of the ESFA, the impact on the budget would not be significant.

The Chair thanked the VP Services for the update, noting that this covered item 10 on the agenda.

In response to a member question, the VP Services confirmed that the financial accounts and the funding audit report had been signed off by the chair as appropriate, with a **further question** regarding information relating to the errors being passed to the Audit Committee. The VP Services confirmed that the final actions in relation to gaining approval for the management letter and representation letter were underway, with the final version expected to be received from the Auditors in time for presentation to the Audit Committee on March 3rd. It was noted that the full report would also be delivered to the Audit Committee, providing full transparency.

Item 4 - noted: The Committee noted the update from the VP Services, with an action for the concluding decision of the ESFA to be reported to the Committee in April.

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Minute No.	Minutes	Action
R.21.42	<p><u>Item 5: Confidential Business</u></p> <p>It was confirmed that the approved minutes did not contain any information considered to be confidential. Members did not identify any agenda items as confidential.</p> <p><u>Item 5 - noted:</u> The Committee noted the decision not to declare any items as confidential.</p>	
R.21.43	<p><u>Item 6: Financial Reports</u></p> <p>6.1: Management Accounts</p> <p>The Head of Finance provided a summary of the management accounts circulated to members, noting that there had been no adjustments to the operating deficit forecast or balance sheets. It was confirmed that this tied in with the figures submitted to the ESFA at the end of January.</p> <p>Attention was drawn to the KPI's including the high pay as a percentage of income; however, cash days were comparatively favourable against sector averages with good cash reserves.</p> <p>The Head of Finance concluded by advising the Committee of the year end cash position, forecast at just below £3,000,000, noting that the rolling cash flow would be maintained above £2,500,000 over next 12 months. However, it was conceded that the future forecasts were dependant on growth in major income items. Questions were invited with a member commenting on the benefit of the executive summary provided alongside the management accounts.</p> <p>A member asked if the management. accounts were on target against the original budget or against a revised forecast. The Head of Finance confirmed that they were behind against the original budget, with the original forecasted operating deficit of £867,000 now revised to £1,136,000, attributing this to the impact of the pandemic.</p> <p>With no further questions or comments, the management accounts were approved.</p> <p><u>Item 6.1 - Approved:</u> The Committee approved the management accounts.</p>	
R.21.44	<p><u>6.4: Investment Policy & Performance, including Treasury Management</u></p> <p>The Committee Chair agreed to move onto item 6.4 whilst the Head of Finance was present.</p>	
R.21.45	<p><u>Item 6.4: Investment Policy</u></p> <p>The Head of Finance confirmed that the annual report presented included the performance of investments with the policy for approval, with no recommended changes to the policy. Attention was drawn to the periods of investment and institutional split used for the surplus cash, utilising financial institutions that were considered stable and secure, with funds split across institutions for additional security. The Head of Finance confirmed the strategy maximised returns whilst ensuring sufficient working cash levels</p>	

were maintained, with the policy setting out the limits and strengths of the organisations used.

It was noted that the investments outperformed the bank of England base rate in the previous year, with short term accounts including the 95-day notice account at Nationwide yielding good returns, however, this was unlikely to be replicated in the coming year with rates having fallen since March 2020. In response to a **member question**, the Head of Finance confirmed that the rate on the 95-day notice account was fixed.

A member asked what returns had been received, with the Head of Finance drawing members attention to annex 3, where the detail indicated rates of 1% for 30 day deposits, 0.5% for long term. It was noted that a bond of £1,000,000 was maturing in April, with plans to review the available rates and investment periods against the cash flow requirements for the coming years, indicating that low returns currently offered on short term accounts would prevent a return as good as yielded in the last year.

A member clarified the funds maturing were from the Santander at a rate of 1.35% with the Head of Finance confirming that this had been a 2 year fixed rate, to be followed by the maturation of a 3-year bond, with similar rates unavailable in the current climate. **A follow up question** was asked about the associated risks with long term investments, with accessibility expected to be required within 2 years. The Head of Finance confirmed that cash flow needs would be closely analysed ahead of any reinvestment, anticipating that 12-month investment periods would be used, and this would be reviewed in April.

A member asked if negative interest rates were considered a possibility, with the Head of Finance conceding that this was unlikely but could not be ruled out.

After clarifying that there were no further questions or comments, the Chair of the Committee asked for approval of the policy. This was given unanimously.

Item 6.4 – Approved: The Committee approved the Investment Policy & Performance, including Treasury Management.

R.21.46 Item 6.3: ESFA Financial Health and Financial Dashboard

The VP Services advised the Committee that this would provide a benchmark update, however, this had not yet been provided by the ESFA and there was no indication as to when this would be expected. The Chair of the Committee asked for the item to be deferred.

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Item 6.3 – deferred: The ESFA dashboard would be deferred until the next meeting of the committee.

R.21.47 Item 6.5: Tuition Fee Policy 2021/2022

The VP Services summarised the details of the policy, noting a recommendation for the policy to remain unchanged, **with a member asking** if there had been any local providers reducing fees. The VP Services confirmed that the matrix of fees for adult education set by the funding body and had remained unchanged for a number of years resulting in eroded profit margins. It was noted that HE fees were set at the maximum available without a further application to the OfS to move into the next fee band, with extensive

additional work and justification necessary for a fee increase above the current maximum.

A member asked how the HE fees compared to other local providers. The AP Curriculum and Quality advised that a comparison exercise was undertaken the previous year, with the biggest competitor being Edge Hill, charging the maximum of over £9000, however, FE providers offering HE varied from the minimum to the maximum. It was concluded that the price point for Southport as the biggest recruiter in the UCLAN partnership was correct, as additional fees would incur considerable additional work. The Committee was advised that this would be reconsidered as the provision was reviewed, with the possibility that some courses may move funding stream as part of the forthcoming review of education. **A member commented** that they were satisfied that the provision remained competitive with consideration for competitors pricing incorporated into the decisions, **with another member** asking if the charges were high enough and if there was the possibility that income was being lost. The AP Curriculum responded by advising that it remains open to review and this was continually monitored throughout the year, with partner universities. It was highlighted that any increases would need to be planned well in advance, with around 18 months' notice. It was added that although it could be argued that the value of the offering was comparable to a HE provider, as an FE provider, the offering was competitive, remaining open to the option of increasing the fees if necessary.

A member asked if the level of applications indicated that the fees could be raised, with the AP Curriculum advising that this was not evident, with the highest growth currently seen in the apprenticeship provision.

With no further questions or comments, the Chair confirmed that the Committee was happy to recommend the policy to the corporation for approval. This was given unanimously.

Item 6.5 – Recommended for approval: The Committee resolved to recommend the tuition fee policy to the Corporation for approval.

R.21.48 Item 6.2: Capacity & Delivery Fund

The AP Curriculum summarised the content of the letter from the ESFA, which confirmed that the College met the requirements for the previous academic year and sufficient progress had been made year to date, noting the next monitoring point would be in June.

The disruption to placements due to the lockdown was detailed, with employers reluctant to take students when the tier 4 measures were in place.

Taster days, remote learning, an induction programme and staff training were conducted, operating within the guidance to retain students, with it noted that not all placement target hours would be met, with some needing to continue into the next academic year

Underspend on kit was noted due to the limited time on placements **with a member asking** if there was a £7000 saving against the budget, with a response advising that was the present position.

The VP Curriculum advised the Committee that with students due back on 8th March the risk assessments would need to be revisited, however, with no

additional guidance available yet for placements, it was expected that these would not resume until after the Easter break. With no further comments or questions, the VP Curriculum was thanked for her report and left the meeting.

Item 6.2 – Noted: The Committee noted the details of the update.

R.21.49 Item 7: Accommodation Update

The VP Services provided a comprehensive update on the Pennington Refurbishment, Low Carbon Fund and the FE Capital allocation.

Pennington Refurbishment

It was noted that the Pennington Refurbishment was close to completion with the final coat of render delayed due to the weather, with snags identified and rectification underway. Re occupation had begun with the intention of it being open for students from 8th March, however the final sign off from the consultant was still needed.

The underspend previously reported to the committee was detailed in the monthly progress and budget reports to the LCR resulting in a request for this to be utilised elsewhere to prevent a clawback of the grant funding.

The VP Services advised that options to utilise the grant had been discussed with the Curriculum Heads, with proposals considered to allocate the funds. Having previously considered T Level Capital Equipment of £60,000 that would be 50% funded, this could now benefit from 90% funding. Further considerations were made for signage, and a number of smaller internal works. The spend would need to be agreed internally and communicated to the LCR. Once confirmed by the LCR, the spend deadline could be extended to September and provided the spend did not exceed the original budget and is closely monitored, risks are considered minimal, asking for the Committee to approve the additional expenditure.

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A member asked if this commitment had been incorporated into the original budget, with confirmation that the full spend had been budgeted for, resulting in a net impact of 10% which would be £10,000 to £20,000, an amount already accounted for within the budget.

A member indicated that there had been ongoing communications from the VP Services with regular summaries provided. **A member asked** if there was an update on the consultants request for additional fees, with the VP Services advising that they had been asked to provide details of additional work undertaken as the project had not altered. This had not yet been provided by the consultants, however, the fees, if owed would be within the contingency and not result in an overspend.

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A member highlighted that the report asked for Committee approval for the additional spend, however, conceded that this was not an additional spend but a reallocation of what had already been budgeted, therefore approval was not necessary.

Low Carbon Fund (LCF)

The VP Services advised that that all work except the replacement of the windows was under way, with the need to complete spending by the end of March.

The procurement process for the window replacement had caused some difficulties with the second tendering process only resulting in one return, with no time to complete a further procurement by the end of March. The LCR confirmed that there cannot be an extension to the time available for spending the LCF grant but are assessing the feasibility of a transfer of the underspend on the LCF to the Pennington Refurbishment Project. This would provide a spending deadline extension to September, allowing for the works to be completed over the summer. Once written confirmation is received, the necessary budget amendments will be made, however, if this is not permissible, the underspend of the grant will be returned.

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A member asked for clarification on the changes to the LCF budget, with the VP Services confirming that the LED works had been scaled back with the surplus added to the budget for the windows. **A member asked** if the revised amount of £71,000 was considered sufficient to undertake the window replacement works with the VP Services confirming that if properly procured, this would be sufficient but the works must be done when students are not onsite which is why the extension was necessary. **Members confirmed** that if written approval was provided by the LCR to transfer the underspend to the Pennington Refurbishment project, enabling the extension to the spending, this would be approved.

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FE Capital Allocation

The VP Services advised that following significant consideration, the project list had been finalised as outlined within the report, with most works underway and to be completed within the spending timeframe.

Members were advised that the scope of work for asbestos removal at KGV was considerably larger than initially anticipated.

Ahead of installing the thermal insulation, a survey in January revealed that what was thought to be a small area of asbestos residue in the Gas and Plumbing workshops ducts, is pervasive throughout the ducting area. This was thought to have emanated from works undertaken in 2008 and 2009, having left residue in walls and in the pipes. Discussions have been held with the contractors, who have advised that there will be 2 elements to the work, the removal and the re-lagging with costs anticipated to be in the region of £150,000. All works will need to be completed when the College is closed, therefore necessitating a request for an extension to the March spending deadline. Members were informed that the request had been submitted a few weeks earlier, however no decision had been received, with it being noted that requests for extensions were sector wide.

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Item 7 – Noted: The Committee noted the details of the report, with it noted that the following matters necessitate clarification at the next meeting:

- Confirmation of the completion the Pennington Refurbishment inclusive of the additional works
- Confirmation of whether the additional fees were paid to the consultants
- Confirmation the LCR approved the transfer of a portion of the LCF grant for the windows to the Pennington Refurbishment to allow a later completion
- Confirmation that the extension was granted for the asbestos works to be completed over the summer

R.21.50 Item 8: Marketing Strategy 2020/201 Progress Report Semester 2

The VP Curriculum and Quality provided an update of the progress against the marketing strategy, drawing attention to the summary which highlighted that progress was on track against the revised community activity, and ahead with the current level of applications. It was noted that considerable activity was being undertaken to convert the applications to enrolments, remaining well connected to feeder schools throughout the lockdown period.

It was noted that the revised marketing strategy was on track at this time with school liaison activity continuing, with the team remaining highly active through virtual platforms, having provided a marketing update to Governors at the strategy day on the keeping warm campaigns.

A member commented on the increased applications, however **asked** for an update in relation to the decline in applications from Stanley High School. The VP Curriculum and Quality advised that the school had a small cohort this year, following an unsatisfactory Ofsted at the school a few years earlier and progress was being made towards increasing applications, however, there were not the same numbers to receive applications from as in previous years.

A member highlighted that although applications had increased, based on expected conversion rates of 60-70%, the target would not be met as targets had been increased. The VP Curriculum and Quality responded by advising the Committee that schools had indicated that there would be some late applications, noting that additional work was required to increase applications, particularly at Southport. A review of the cohort indicated that they had not yet captured the market share, with the keeping warm activities being undertaken to remind students to continue to make applications whilst the schools are closed. Without being able to obtain predicted grades, it was considered difficult to ascertain which students to target, however, it was thought that the lower level students were the ones to have not yet submitted applications.

A member noted the difficulty in raising interest in these circumstances, asking if there was any awareness of the liaison activities being undertaken by other Colleges.

The VP Curriculum and Quality advised that competitor activities centred around promoting guaranteed places, although welcomed by students, had not been well received by schools, with efforts being made to counteract this. The strategy undertaken was to ensure students knew that they were guaranteed a place, but not on a given course, with support and guidance in place to ensure this was the right course for them. This was to be supported through the creation of a video by the new school liaison member, skilled in these marketing techniques, with the video highlighting the importance of the relevance of the place offered.

A member asked for further details in relation to the resistance from Formby, with the VP Curriculum and Quality advising the Committee that this was due to the school having a 6th form and wanting learners to progress internally, noting that it was against the Gatsby regulations, and poor practice to deny the students access to impartial advice. Follow up actions had included the installation of a banner within the park, which has since been removed and the use of an advertising bus.

A member asked if the increase of applications were significant from any school, with the VP Curriculum and Quality confirming there were small numbers from 40 providers, including PRU's and some independent and small schools. It was **noted by a member** that the overall impact of the small gains was significant.

The Principal supported the earlier comments of the VP Curriculum and Quality regarding the liaison strategies utilised by Southport. The Committee was informed that school Heads had made contact to thank the Principal directly for not taking the guaranteed place approach, which had been described as damaging to engagement. Adding her support of the team and their approach, the feedback was evident that the team leading on marketing had pitched it right, having been responsive to learner needs, taking a genuine educational perspective and not pure marketing, giving credit to the VP Curriculum for the external praise received.

A member asked if there was any intelligence relating to the destinations of students from Tarleton. The VP Curriculum and Quality provided detail of the history between the school and college, adding that although there was now a good relationship with the Head, applications had not increased, suggesting that this should be used as a benchmark for the success of the marketing strategy, agreeing to take an action to add Tarleton as a key school.

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A member provided details of historic targeting by competitors including Cardinal Newman College and Runshaw College, suggesting the provision of transport may be used as a marketing tool, with a need to monitor the position strategically. The VP Curriculum agreed, offering to also use a buoyant Crosby school as an additional benchmark to ensure a balance between the north and south of the borough.

With no further questions or comments, the VP Curriculum was thanked for the report and her commitment to the Committee, noting the date for her imminent relocation. The Committee Chair extended his gratitude on behalf of the Committee to the VP Curriculum, wishing her every success in her house move and future career.

Item 8 – Noted: The Committee noted the details of the report, recording an action to include Tarleton and a Crosby based school as key benchmarks for the success of the marketing strategy.

Item 9: Critical Incident Policy

R.21.51

The VP Services advised the Committee that following a recent thorough revision of the policy, only minor updates had been necessary, including updates to roles and responsibilities including contact details.

A member asked if this was what was formally known as the Disaster Management. Plan, with the VP Services confirming that it was, with the name having changed as part of the full revision to reflect the range of possible scenarios that would need to be included.

A member commented on how comprehensive the plan was, adding that it would only be effective if staff were aware of the content, **asking** what training would be provided for staff. The VP Services provided details of the previous training included within the Duty Principal training, adding that these needed to be reenergised and revisited ahead of a full reopening of the College

A member commented on how difficult it was to recall the training or find an aide memoire in the moment, highlighting the need for comprehensive and regular training and accessible reminders.

It was noted that significant personnel changes, particularly across the senior team resulted in lost knowledge which could only be replaced through training.

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Different strategies for the training were discussed, including the benefits of live modelling, which gave the opportunity to see how staff may react, with a conclusion that training needed to be prioritised.

With no further questions or comments, the Chair confirmed that the policy was for recommendation to the Corporation for approval, and asked for members to indicate that they were happy to recommend the policy. Unanimous agreement was given.

Item 9 – Recommended for approval: The Committee resolved to recommend the policy to the Board for approval, noting an action for critical incident training to be incorporated into the Duty Principal training.

R.21.52 Item 10: Issues Relevant to The Committee Arising from Audit Reports

The Committee Chair confirmed that this had been reviewed in detail under matters arising, **with a member asking** if the management letter would normally come to the Resources Committee. The VP Services confirmed that this would normally go to the Audit Committee and only be reviewed by this Committee if there were recommendations relevant to the Committee.

Item 10 – Noted: The Committee noted the update.

Item 11: Date of Next Meeting

The following meeting date was confirmed as Wednesday 28th April 2021.

Closing Comments

Members and attendees were thanked for their time, with a special thanks extended to the VP Services for his extensive support and work with the Committee over the last 18 years with his last day being noted as the 1st April.

The Acting clerk was thanked for stepping in at short notice and members all extended their gratitude to Ronnie, asking for their appreciation to be recorded after she stepped in and clerked in the absence of a clerk to the corporation.

The meeting closed at 6.25pm