

**Minutes of the Resources Committee Meeting held on
Wednesday 3 July 2019 at 9.00am**

Present: John Clarke - Principal
Paul Cochrane - Chair
Veronica Fell
Rob Firth
Alex Kenny (from 9.08am)
Vipin Trivedi

In Attendance: Anne-Marie Francis – Vice Principal Curriculum & Quality
Eddie Green – Vice Principal Services
Jan Regan – Director of Facilities Management
Gareth Catterson – Clerk to the Corporation

Action

R.19.147 Item 1: Apologies for absence

None.

R.19.148 Item 2: Declarations of Interest

A standing declaration of interest was received from Veronica Fell (Chair of the Corporation) as she is married to John Fell (Independent Governor).

R.19.149 Item 3: Minutes of the Previous Meetings – 12 March 2019 & 15 May 2019

The Committee resolved to approve:

- a. the minutes of the meeting held on 12 March 2019 as an accurate record and,***
- b. the minutes of the special meeting held on 15 May 2019 as an accurate record.***

Matters arising from the minutes of the meeting held on 12 March 2019

Regarding minute R.19.133, the Vice Principal Services reported there had been no further progress and that the Quantity Surveyor (QS) and Contractor were still at an impasse as the QS had not yet received all the information requested from the Contractor.

Regarding minute R.19.136, the Vice Principal Services reported that backups were functional and although the current arrangements have been assessed as requiring improvement for disaster recovery there was a degree of security in the event of an IT system failure. The College currently had a 'cold standby' position and although plans to improve this were almost ready, it would be next summer before they could be implemented to save disruption to students and staff.

In answer to questions about the interim situation and likely cost in the event of a failure, Governors were informed that there was a risk of significant 'downtime' in the event of a system failure. The cost of implementing the plan would be circa £150k.

The Chair asked about the College website tender and was informed that a supplier had been selected and work had started. Launch was expected in September 2019.

Alex Kenny joined the meeting.

Matters arising from the minutes of the meeting held on 15 May 2019

There was a question regarding progress with the Accommodation Strategy and in particular the refurbishment of the Gas and Plumbing Workshop. The Vice Principal Services reported that tenders were due back on the 26 July 2019. In the interim Liverpool City Region (LCR) had detailed the next round of funding. The College had been allocated £380k but were required to submit a bid to access the allocation. LRC would assist the College in submitting the bid by the end of August 2019. Asked if the project would be started before the money was secured, the Vice Principal Services stated that this was a possibility, however, as the work was not due to start until mid-August 2019, the spend was likely to be low at the time the outcome of the bid was known. There was an element of working 'at risk' in the initial stages.

It was noted that In addition there was a 'low carbon fund' and a bid of £100k - £160k was being considered for a change to LED lighting and other energy saving initiatives.

The Chair of Governors stated that she would have liked to have had a paper addressing the Accommodation Strategy issues and the committee agreed that an item be placed on all future Committee agendas to provide an update on this area. She also requested information on the strands of funding that were available to bid for. The Vice Principal Services gave a brief overview of each available strand which are as follows:

Clerk

- Strand 1: Sites and Premises
- Strand 2: Improved Facilities
- Strand 3: Equipment
- Strand 4: Maintenance of FE Facilities (the Gas and Plumbing Workshop was covered by this)
- Strand 5: Low Carbon Reinvestment Fund

There may be an opportunity to bid under Strand 1 or 2 for refurbishment work to Pennington and this was being investigated.

ViP
Services

R.19.150 Item 4: Action Summary

It was noted that all actions were complete or in progress.

R.19.151 Item 5: Confidential Business

The Committee resolved that the discussions regarding the Accommodation Strategy should be deemed to be confidential.

R.19.152 Item 11: Critical Incident Management Plan (brought forward)

The Director of Facilities Management reported that in preparing the plan she had considered all the existing separate plans and merged them into one. Asked about what template had been used she stated that the best parts of many templates had been collected into one. The Vice Principal Services added that the separate plans had been tested many times over

the years and had been proved appropriate.

Governors asked for a specific training session and the Principal informed them that once the draft plan had been approved it would be used for Staff Development and this would be an ideal time for Governors to attend. The final plan would not be approved until after the training had been completed as during this stage improvements may be suggested. Dir.of FM

Governors expressed concern that the plan may be too detailed and needed simplification. The Principal suggested that a summary would be a helpful addition. Discussion ensued regarding who would be notified in the event of an incident and what the chain of command would be. In addition it was suggested that a decision flow chart may be a useful addition. Dir.of FM

The Vice Principal Services stated that the plan needed to be as fluid as possible to avoid a breakdown in the plan if a particular person was not available. He gave the opinion that it needed to be a framework rather than specifics.

The Committee Chair suggested that it should be a dynamic document and it was agreed that it should be reviewed annually and following any critical incident. Dir.of FM

The Committee resolved to note the Critical Incident Management Plan and requested an update at the next Resources Meeting.

R.19.153 Item 6: Risk Management

The Vice Principal Services stated that his report covered the outcome of risks arising during 2018/19 and the sensitivity of high risks contained within the financial forecasts. He highlighted that increased pension costs were funded for one year but not accounted for after that. Asked about possible Transaction Unit clawback he informed members that this would not occur unless there was excess cash over and above the original forecast.

The Committee Chair asked about the significance of the cash balance falling below £1.8M and was informed that this was an internal limit set by the College, however, the Transaction Unit may ask questions and consider intervention if the college fell below its own undertaking.

A member asked about the consequences of the Government not funding further pay increases and whether this would result in further staff losses and thus the ability to generate income. The Principal stated that already there were some areas where College salaries were lower than industry therefore making it difficult to recruit staff. No increase in funding would simply exacerbate this situation and affect more areas.

The Chair of Governors challenged whether the College should be aiming for higher growth to mitigate the £389k staff saving that was due to have been achieved through a second stage merger. She asked for more narrative on this in future reports. CET

Members asked about the forecast position for September 2019 and were informed that there may be a 20/30 students shortfall, which equated to -2% on last year, -4% overall on 2016/17 and 0.8% overall on last year. However, the size of the shortfall will depend on whether conversion and enrolment percentages remain the same as previous years. Clarification was sought on how this would affect the Transaction

Unit's view of progress. Members were informed that the ESFA will see all the figures and will note the cash position, where the current forecast is favourable against the College target. The message to the Transaction Unit would be that the College is doing everything it can to manage the situation but it cannot manage the pension costs.

The Chair of Governors expressed her concern about the lack of growth. She was informed that although the number of students had fallen in some areas, this was mitigated by the funding per student being higher. Nevertheless maintaining or exceeding growth targets was essential.

Members asked about the effect of demographics and were informed that there was a dip in 2020/21 and this would impact the 2021/22 financial position.

The Committee resolved to note the Risk Management Report and advise the Corporation that the degree of risk contained within the financial forecasts was acceptable.

R.19.154 Item 7.1: Management Accounts

The Vice Principal Services highlighted that the accounts included an increase in forecast cash and creditors of £100k. This was primarily due to Adult funding received being higher than earned and would be repaid to the ESFA in 2019/20. There were no significant changes in income and expenditure

The Chair of Governors asked how the figure of £100k had been arrived at for the IT disruption costs and the Vice Principal Services informed her that it was a best guess based on the costs of IT consultancy and hardware. It may or may not be required and was an estimate that could be higher or lower in reality if the risk were to occur.

The Committee resolved to approve the Management Accounts.

R.19.155 Item 7.2: Financial Forecast 2019/20 to 2023/24

This item was considered confidential and a separate confidential minute was recorded.

R.19.156 Item 7.3: Transaction Unit Monitoring Report

The Committee resolved to note the Transaction Unit Monitoring Report

R.19.157 Item 8: HR Objectives Update 2018/19 and Objectives for 2019/20

The Chair of Governors questioned why some of the work planned for the current year had not been completed. The Vice Principal Services informed the Committee that other items had been prioritised owing to staffing issues in the HR Department. The plan was to complete outstanding matters over the summer but asked the members to note that the Head of Personnel and Payroll would be absent over this period and HR staffing was minimal over this period. Asked about whether it would be helpful to use an external resource the Vice Principal Services gave the opinion that it could take longer to get external assistance familiar with the tasks. The policies that were past their review date were not high risk and still in use but should be reviewed as soon as possible.

The Committee resolved to note the report with concern regarding

slippage and approved the 2019/20 Objectives.

R.19.158 Item 9: Health and Safety

This item was considered confidential and a separate confidential minute was recorded.

R.19.159 Item 10: Learner Support Funds Policy

There was discussion around the 'carry forward' of the discretionary learner fund and when 'Free Meals' eligibility was checked. The Vice Principal Services stated there was no clawback for 16-18 but there was for Adult. He highlighted that the 'carry forward' from the previous year was higher than the current year. Applications had to be made for the funding and net earnings were checked at that time. The detail was all in the Learner Agreement.

The Committee resolved to recommend the following to the Board for approval:

- ***Travel Passes and Funds Policy and Procedure 2019/20***
- ***16-19 Bursary Fund and Free Meals Policy and Procedure 2019/20***
- ***19+ Discretionary Learner Support Fund Policy and Procedure 2019/20***
- ***Advanced Learner Loans Bursary Fund Policy and Procedure 2019/20***

R.19.160 Item 12: Proposed Changes to Financial Regulations and Committee Terms of Reference

The Clerk informed the Committee that, in addition to his proposed changes regarding Annex F_ 'Summary of Financial Limits', it had been suggested by a member that there should be additional wording to preclude the Committee from agreeing to any item that had been split into smaller parts in order to circumvent the approval limits set out in the Financial Regulations. He recommended that this addition also be made to the Financial Regulations.

The Committee resolved to recommend the Proposed Changes to Financial Regulations and Committee Terms of Reference to the Board for approval subject to an additional clause being added to the Financial Regulations as discussed. It was agreed that an email of the revised wording would be sent to members to comment on or agree before the final narrative was sent to Board for approval.

Clerk

R.19.161 Confidential Items

The Committee agreed what items should be regarded as confidential.

R.19.162 Date of Next Meeting

3.00pm on Wednesday 9 October at KGV