

**Minutes of the Resources Committee Meeting held via Microsoft Teams on
Wednesday 26th January 2022 at 5pm**

Present: Christine Bampton (Corporation Chair)
Margaret Boneham (up to item 11)
Michelle Brabner (Principal)
Rob Firth
Alex Kenny (from item 6 to item 10)
Rik Simms
Paul Walker (Committee Chair)

In Attendance: Paris Bonwick - Assistant Principal (MIS and Apprenticeships)
Stephen Musa – Assistant Principal (Student Experience and Welfare)
Jennifer Pullin (Parent Governor as an observer)
Kevin Williams - Director of Finance and Facilities
Andy Winrow - Head of Finance
Lisa Farnhill – Clerk

Apologies: Paul Newton (Student Governor invited to attend as an observer)

Minute No.	Minutes	Action
R.22.45	Open and Welcome The Chair welcomed everyone to the first meeting of 2022, thanking members and attendees for their commitment and time.	
R.22.46	Item 1: Apologies for Absence The Clerk explained that the HE student governor, Paul Newton, had been invited to attend, however had sent his apologies, and confirmed that the parent governor, Jennifer Pullin would attend as an observer, however, would be arriving late due to work commitments. The Committee was notified of the need for member Margaret Boneham to leave at 6.45. The Clerk confirmed that no other apologies had been received; therefore, other absences may be due to technical difficulties accessing the meeting. The apologies for absence as detailed by the Clerk were accepted by the Committee with the meeting confirmed as quorate. <u>Item 1 - Noted:</u>	
R.22.47	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.	

Item 2 - Noted: The Committee noted the declaration made.

R.22.48 Item 3: To approve the minutes of the meeting held on 18th November 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 18th November.*

R.22.49 Item 4: Actions Summary

The Clerk noted that there had been a number of actions, with some deferred as detailed on the circulated summary. With no questions or comments, the report was accepted.

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

R.22.50 Item 5: Confidential Business

5.1 - Identify any minutes that need to be regarded confidential

The Committee confirmed that minute R.22.42 relating to item 12.5, the Staff Pay Award should 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 reviewed the agenda and confirmed nothing was considered confidential.

Item 5 - Resolved: *The Committee resolved to maintain minute R.22.42 as a confidential minute, to be removed from the published copy of the minutes of the meeting held on 18th November 2021. The Committee confirmed no items within the agenda needed to be reviewed under a confidential Part B of the meeting.*

Member Alex Kenny arrived, with apologies accepted by the Committee for his delay in accessing the meeting.

R.22.51 Item 6: Financial Reports

The Dir. Finance and Facilities introduced the financial reports, highlighting the importance of the revised financial forecast, offering his apologies to the Committee for the delay in circulating some of the documents.

R.22.52 Item 6.1: Management Accounts – October, November and December

The Head of Finance summarised the management accounts, reminding the Committee that that the set from October had been deferred from the previous meeting.

The Head of Finance confirmed there were no adjustments to forecasts in the October management accounts, highlighting the high cash balances as previously noted. It was confirmed that these were due to the reduced deficit from the previous financial year, balance of learner support funds carried forward and the overpayment from the ESFA.

Attention was drawn to the clawback contingency of £300,000, which was now considered to be unlikely to be required, however, maintained as a prudence measure.

The Head of Finance indicated that variances on income and expenditure were adjusted for in the re-forecast to be presented under item 6.6.

With no questions or comments, the October management accounts were approved by the Committee.

Observer Jennifer Pullin arrived

The Head of Finance summarised the management accounts for November, confirming the forecast had been amended to reflect the CFFR and MOT returns. The increased deficit was highlighted, with variations in income and expenditure summarised, confirming further detail would be presented by the Dir. Finance and Facilities under item 6.6. The potential for insolvency based on cash balances, reduced income and high deficit was drawn to the attention of members, highlighting the need to reach recruitment targets, whilst confirming high cash balances for November continued as noted in October.

A member asked if the summary table could include details of how the figures would be affected by the new financial health scoring system. The Committee members were advised that this was included in the CFFR template, with plans to update the template monthly to reduce workload when submissions were due, allowing for this to be presented within the management accounts summary.

**Head of
Finance**

The Chair asked members to offer their approval for the November management accounts, with it confirmed that the Principal was required to sign off the CFFR, confirming it reconciled to the November management accounts. Unanimous approval was given.

The Head of Finance presented the Committee with the final set of management accounts, covering December, with confirmation that there were no adjustments. The Committee was assured that the income and expenditure was re-profiled based on the CFFR.

The Dir Finance and Facilities provided further clarity around the £300,000 clawback provision, assuring the Committee that it remained prudent not to release the funds into the management accounts until the ESFA offered satisfactory confirmation that it would not be clawed back. It was noted that the LCR had provided confirmation that the thresholds had been met. The Committee were advised that although it would not change the financial health grade, it would provide an additional buffer within the 'good' rating with the Head of Finance clarifying that this added a further increase to the cash balance.

A member challenged the distortion of the operating performance, which would not improve the underlying operations when this one-off adjustment

was moved back into the accounts, highlighting the need for a plan to be in place to ensure the College could maintain good financial health in the next financial year. The Dir. Finance and Facilities agreed, confirming this was why it remained prudent not to reintroduce it, ensuring the forecasting provided a true picture of the current financial performance.

Item 6.1 - approved: The Committee resolved to approve the management accounts for October, November and December.

R.22.53 Item 6.2: Investment Policy & Performance, including Treasury Management

The Head of Finance presented the annual report summarising the investment policy and performance of returns.

Highlighting the policy key points, the Head of Finance confirmed there were no recommended changes.

The return rates and maturity dates of the current investments were detailed, with members advised of a drop in overall return from 0.96% to 0.61%, with plans to review options for investments coming to maturity in the coming months.

With no questions or comments, the Committee agreed to re-approve the policy.

Item 6.2 - Approved: The Committee resolved to accept the report and noting no updates, approved the policy.

R.22.54 Item 6.3: 16-19 Tuition Fund Termly Report

The Dir. Finance and Facilities explained that he was presenting the report on behalf of the Deputy Principal as SLT link for the area. Members were informed that due to being a grant in excess of £100,000, the Committee were required to maintain oversight of its use.

The Committee were notified of previous concern over the potential for clawback, with previous provision built into the budget, now not considered necessary following the appointment of a part time achievement coach.

Members were informed the fund was unlikely to allow carry forward into the next financial year, meaning any unspent funds would be clawed back. Members discussed the benefits of the tuition fund, provided to support lost learning as a result of the Pandemic, and considered that the recurring nature of the 8% uplift on mainstream funding was more beneficial, making it unlikely there would be anything similar to the tuition fund after the current agreement ends in 2023/2024.

Members offered their support for the funds use, and clarified the position of the achievement coach was temporary, confirming the role would end when the funding ceased in the summer.

Item 6.3 - Noted: The Committee resolved to note the report.

R.22.55 Item 6.4: Test and Learn Termly Report

The Dir. Finance and Facilities presented on behalf of Deputy Principal, describing the allocation as healthy, summarising the projects the funds had supported. The grant was described as low risk from a financial perspective with clawback unlikely. The Dir. Finance and Facilities explained the allocation was not driven by ILR data but reports demonstrating how it had been spent. Assurances were given over the required evidence, confirming this was available with a final submission due to the LCR, demonstrating how the College was on track to fully deliver on the allocation.

Item 6.4 - Noted: The Committee resolved to note the update.

R.22.56 Item 6.5: ESFA Financial Health Dashboard

The Dir Finance and Facilities confirmed that the report had been provided to the College by the ESFA and was based on the July 2021 submissions, confirming the financial health of the College for 2020/2021 as 'requiring improvement', with a forecast of 'good' for 2021/2022 if the College delivers against the forecasted budget. The report, described as providing additional graphs and visuals including benchmarking the submitted information with the sector was considered to be essential information to be presented to the Corporation. Members asked for an explanatory cover to be provided when the information is presented to the Corporation.

Dir. F&F

Item 6.5 - Noted: The Committee resolved to note the update and present to the Corporation as essential information.

R.22.57 Item 6.6: Financial Forecasts

The Dir Finance and Facilities drew the attention of members to Annex 1, the key assumptions from which the forecast had been built, agreeing to take members through the main points and the impact on performance. The following key points were highlighted:

- 16-18 enrolment had marginally improved, however, remained below target – reducing expected income by £285,000 in 2022/2023.
- Attention was drawn to the aspirational target of achieving 14.5% of the Sefton cohort by 2023/2024, with the current inflating income potentially masking a problem in 2023/2024, with consideration to be given to revising this down at the Strategic Away Day.
- Application to increase high needs learners has been successful – increasing numbers from 35 to 42 in 2022/2023 onwards.
- 16-19 Tuition Fund - assumption that £172,000 will not continue after 2021/2022
- 3 T Level courses are planned for but not included within the budget, to be factored in at the April re-forecast submission.
- Prudency applied to the Industry Placement Capacity and Delivery Fund, with no further allocations included after 2021/2022. It was noted that around £100,000 may be allocated in 2022/2023, however, it was not included in the budget.
- Teachers pensions grant had been secured for 2022/2023 with plans for this to be incorporated into the mainstream funding allocation in line with schools from 2023/2024.

- AEB assumptions were summarised, with Test and Learn grant assumed to continue, plus new National Skills Offer Level 3, not included in the summer budget, with a total allocation including carry forward of £217,000.
- The competition between advanced adult loans and the National Skills Offer was noted as impacting on the targeted enrolments for Advanced Adult Loans resulting in reduced income of £50,000
- Targets for apprenticeships had been revised down, however the move from framework to standards increased the units of funding resulting in a bottom line increase of £100,000 in 2021/22 with around 100 apprentices in the pipeline
- Poor performance in HE recruitment was highlighted, with targets revised down further and plans outlined to reconsider the offer in full at the Governors Strategic Away Day
- General Tuition Fees have been brought down by £10,000
- Staffing costs incorporate the planned rise in NI and a 1% consolidated staff award, confirming any pay awards are subject to Board approval
- Incremental drift is applied in full for 2022/2023 and at 50% for 2023/2024
- Staff costs as a percentage of income are now at 72% against a sector expectation of 65%
- Energy costs remain concerning with some colleges reporting a rise of 100% with the College tied into a fixed rate through the Sefton Consortium, due to end in March, therefore the budget has been increased by £90,000
- General contingencies have been increased, with £20,000 added to cover recruitment due to the competitive climate necessitating finder fees to recruit to some vacancies
- The basic funding rate per student will increase 8.4%, needing to fund an additional 40 hours across every study programme, with it hoped increased staffing costs will be minimised due to carrying additional staff
- The financial health grade as confirmed to be forecast as good in 2021/2022, down to requires improvement for 2-22/2023 returning to good in 2023/2024

The Dir Finance and Facilities concluded with an overview of the risk sensitivity analysis, including the impact and potential to become insolvent if applications did not materialise.

The Committee reviewed the information, concluding that although efficiencies should be made where appropriate, they should not be at the detriment of growth. They clarified that the requirement was for a bottom-line improvement of £400,000 in 2022/2023 not necessarily from savings, but could and should be from growth, which was the strategic aim and should remain the focus and priority.

The CFFR was summarised, with the Dir of Finance and Facilities assuring the committee that this reconciled to the forecasts in a format as requested by the ESFA. The CFFR requiring to be submitted to the ESFA by the end of January 2022.

Members reviewed the requirements for approval and considered whether as an update to the approved budget, the forecasts and CFFR needed to be submitted to the Corporation for approval. In taking into account the College Financial Planning Handbook, Instruments and Articles of Government, Financial Regulations and Committee Terms of Reference, concluded that it would be within the Committee's delegated authority to approve the updates for submission to the ESFA. In considering the Terms of Reference, which required 'significant variations' to be presented for Board approval, the Committee proposed that the movement in the figures was not material, with the Committee having the delegated authority for purchases, contracts and capital programmes up to £250,000, therefore overall movement on the forecasts of £100,000 was considered not to be 'significant'.

Clerk

Members agreed that the Terms of Reference should be updated to be more specific, expressing concern over 'significant' being too open to interpretation, agreeing this should give reference to material changes and the limits of delegated budgetary control as outlined in the financial regulations.

Item 6.6 - Approved: Following consideration of the terms of reference and the level of revisions made to the forecasts, the Committee considered it was within the Committee's powers to approve the revised financial forecast and CFFR for submission. The Committee would request the Corporation approve an update to the Terms of Reference to provide clarity around approval for updates to the budget.

R.22.58 **Item 6.7: 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 additional work as a result of the templates differing from the CFFR had been raised during the Annual Strategic Conversation, however, the response indicated that this would not be reviewed as they were approved and agreed to as a condition of funding.

Members challenged the statement within the executive summary that stated there were no financial implications as a result of the report, when the detail within the report indicated student numbers were dropping, having a direct financial impact on the college. The Committee were assured that this had been covered and explored within the financial forecasts, and that it was only the summary of the MOT reporting requirements that had no financial implications. The Dir Finance and Facilities explained that the information within the report was not new, but a culmination of other reports and data as already presented, intended to provide assurance to the Committee that the returns as a requirement of the funding were being collated and submitted.

Item 6.7 - Resolved: The Committee resolved to support the submission of the MOT report's to the ESFA.

R.22.59 **Item 6.8: Strategic Objective SO4 Action Plan**

The Dir. Finance and Facilities summarised the updates, as indicated in the report through the use of purple text.

The Committee were informed of the purchase of forecast software for curriculum planning to support with improving efficiencies and maintaining sustainable provision.

Progress on benchmarking business support staff had been hindered by a lack of interest and support from similar colleges, which had been raised in the Annual Strategic Conversation. Subsequently, a return was completed by Lancaster and Morecambe College, with plans to discuss further the similarities and differences to ensure the data is comparable and contextualised.

Item 6.8 - Noted: The Committee resolved to note the update.

R.22.60 Item 6.9: Annual Review of Tuition Fees

The Dir. Finance and facilities explained that the fees were set 18 months in advance to ensure the information could be published in prospectuses, confirming the report suggested no amendment was required to any of the fees.

The Committee members were reminded of the need remain within the threshold for HE fees to prevent OfS registration and the additional regulatory and administrative burden associated with registration.

Members discussed competitor offers and the impact of the lower fees, giving consideration to whether this affected perceptions of quality, or if price point was more important given the target market was predominantly mature students.

The Committee agreed to recommend the fees be approved, concluding more market research was required, to develop a deeper understanding of the local market, perceptions, requirements and needs ahead of making any further decision relating to the offer including fees.

Item 6.9 - Resolved: The Committee resolved to recommend the fees to the Corporation for approval.

R.22.61 Item 7: MARKETING STRATEGY 2021/2022 – RECRUITMENT UPDATE & PROGRESS REPORT

The AP Student Experience and Welfare provided the committee with a summary of the updated marketing and school liaison activity undertaken since the last meeting.

This had resulted in increased applications, up on the same point in the previous two years, for Southport and KGV. This included increases to applications for lower level courses, with activities planned to support conversion into enrolment. An update to the application system, allowing a choice of dates for course discussion meetings had increased attendance, with only 9 none-attenders compared with 90 the previous year.

The Committee were informed of increased marketing focus for adult courses and HE, which included a doorstep drop in PR8 and PR9 postcodes as well as digital marketing and advertisements. The Committee were informed that

despite the concentrated marketing, applications for HE continued to decline year on year.

Members concluded that the offer needed to be reviewed and that this would be considered following the outcomes of the market research.

Item 7 - Noted: The Committee resolved to note the update.

R.22.62 Item 8: RISK MANAGEMENT

The Dir. Finance and Facilities informed the Committee that the additional layer of review for risks had been introduced following a meeting with the Committee Chair and Chair of Audit.

The Committee members were informed that of the 25 risks, 16 were financial risks, with 5 scored as high, including 4 relating to recruitment, with the risk related to the 16-19 tuition fund downgraded following the recruitment of the achievement coach.

Members agreed reviewing risks at committee level with the opportunity to consider the actions taken by college to mitigate them was useful in directing the focus of the work of the committee.

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

R.22.63 Item 9: BUSINESS DEVELOPMENT STRATEGY UPDATE

The AP MIS and Apprenticeships was welcomed to his first meeting of the Committee.

The Committee received a summary of the report, highlighting apprentice engagement work including activities undertaken and planned. The impact of the pandemic was considered to be lessening with employers engaging and a considerable number of apprentices in the pipeline.

Members queried the timeline for applications, with an explanation of the roll on roll off process ensuring that the pipeline was continuous. Delays were considered to be as a result of the systems requiring employers to apply directly, unable to share their login details to allow the college to provide technical and practical help with the application process, resulting in a need for employers to liaise with the ESFA where the College had previously been able to offer support.

The Committee supported the proposal to amend the name and timing of the strategy, to be presented in summer as an employer engagement strategy for 2022/2023.

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

Alex Kenny left the meeting

R.22.64 ITEM 10: STRATEGIC OBJECTIVE SO5 ACTION PLAN

The Principal summarised the SO5, highlighting the key activities and progress against strategic objective five since the last meeting of the Committee.

The Principal was commended for the improvements in the appraisal process and completion rates, which included hourly paid staff and was at 92% against the target of 95% with no previous data for comparison.

The Staff Committee was described as a useful and genuine opportunity to have open discussions with staff, received positively by staff, with points actioned as a result of the forums with consideration for a staff newsletter, better communication of leavers and starters and more points of celebration.

The Committee were advised of the benefits of working with Riverside College with best practice shared whilst gaining assurances that similar practices already initiated at Southport have been graded as outstanding by Ofsted at Riverside.

Members discussed the benefits and drawbacks of the dual-site model, with the Committee assured that everyone was working hard to build a “one college. one staff culture”, however, were informed that there were some instances of assumptions over better conditions across both sites relating back to the initial consultations and TUPE arrangements. The Committee were informed of a suggestion by a Union Representative to consult on removing protections, however, this was not progressed as others were not in agreement.

The Committee discussed cross-site working, noting that the location of a course was always based on the most suitable location and best experience for the student with SLT ensuring their presence is felt across both sites.

Members asked how they could support with morale and embedding a positive, cohesive culture, suggesting visibility should increase through focus on celebrating positivity and achievements. It was agreed that an invitation to the ‘Oscas’ to be extended to the Governing Board with a further request for other suggestions of how to increase Board involvement and visibility in a way that would bring positive impact to the staff and student body.

**Principal/
SLT/
Governors**

Item 10 - Resolved: The Committee resolved to note the update inviting suggestions for increasing the visibility and involvement of Board members.

R.22.65 ITEM 11: ACCOMMODATION UPDATE

The Dir Finance and Facilities informed the Committee that the report had been streamlined with no capital projects underway or planned, with only maintenance work being completed.

The Committee were advised of frustrations over not receiving validation of the conditions being met following the successful completion of the previous capital projects.

The Committee were updated on the progress of the site survey, which would lead to an updated Estates Strategy by May 2022. The Clerk clarified that the asbestos survey, as outstanding from matters arising at previous meetings,

would be a separate survey, also underway and to be presented to the Committee in May.

Dir F&F

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

R.22.66 ITEM 12: CRITICAL INCIDENT MANAGEMENT POLICY

The Dir Finance and Facilities informed the Committee that the circulated document was a plan rather than a policy, advising that although still lengthy, it had been streamlined and consolidated.

The Committee reviewed and discussed the content, concluding it was operational in nature, requesting an overarching policy be developed for Board approval, with the Clerk offering to seek examples from other colleges. Members proposed that College management level approval was more appropriate for the full plan given the level of detail. Members agreed that the approval period could be extended to bi-annual, provided that the reviewing and testing continued on a regular basis.

Clerk/
Dir F&F

Members discussed the importance of testing and the need for Board level assurances on effective implementation of the plan. Members considered whether testing and subsequent recommendations for improvement would feed into the Audit Committee or Resources. It was agreed that under the Terms of Reference for the Resources Committee, with responsibility for health and safety and estates, stress test information could be fed into existing reports delivered to the Resources Committee.

The Committee were informed of recent fire evacuations having raised concerns over safety, with the need for doors to remain open for twenty minutes after the return to the building. It was agreed that this posed a safeguarding risk with a suggestion that this could be addressed by allocating staff to cover each of the open doors for that time.

Item 12 - Resolved: The Committee resolved to recommend the Plan to the Corporation for approval, with a revised review period of bi-annual to be approved by the exec, with an overarching policy to be drafted for Corporation approval. The Committee requested stress tests are completed and reported within the accommodation and health and safety reports to the Committee

R.22.67 ITEM 13: HEALTH AND SAFETY UPDATE

The Dir Finance and Facilities informed the Committee that the Health and Safety Committee met three times a year, with the most recent being ahead of the Christmas break. The Dir Finance and Facilities highlighted how no technicians were on the Committee, with plans to increase their presence at the next meeting of the Committee.

The recently commissioned external review had resulted in a number of recommendations being converted into an action plan, which would be overseen by the newly appointed Head of Health and Safety, with the Committee reminded of the recent staff changes and difficulties in recruitment to the position.

Plans to implement a first aid committee were discussed along with concerns over the lack of reporting of incidents and near misses. The Committee insisted that awareness needed to be raised of the need to report all incidents and near misses to ensure data was accurate and to enable improvements in practice to make the workplace safer. Members considered whether this detail was included in departmental audits and maintained at the Health and Safety Committee level, however, requested that if this had been the case, basic data of accidents and near misses should still be included in future reports to the Resources Committee.

Dir. F&F

Members highlighted the need to remove barriers to reporting, with the new appointment reviewing processes to ensure that they were simple and user friendly.

The Committee clarified the link governor, with confirmation that he was actively involved and attended Committee meetings and had supported with the recruitment of the new to post staff member.

Item 13 - Resolved: The Committee resolved to note the update, requesting reports include data on accidents and near misses.

R.22.68 Item 14: 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 6.2 – The Committee will advise the Board that the Committee has approved an updated investment policy
- Item 6.5 - Inform of the review of the ESFA Financial Health Dashboard and present this for information to the Corporation
- Items 6.6 and 6.7 - Financial Forecasts including 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 and approval of the updated financial forecasts and CFFR with a request for Corporation approval of the update to the TOR
- Item 6.9 – Tuition Fee Review – recommend to the Corporation the approval of HE fees for 2023/024 and FE fees for 2022/2023
- Item 12 – CIMP – recommend to the corporation the approval of the CIMP, advising of the recommendation that future revisions of the plan are approved at management level, with an overarching policy developed for Board approval, with stress testing outcomes reported to the Committee

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

Item 14- Resolved: The Committee resolved to present the information to the Corporation as detailed above.

R.22.69 Item 15: DATE OF NEXT MEETING (AND CLOSING COMMENTS)

The next meeting was confirmed as Wednesday 18th May 2022 5pm.

Item 14 - Noted:

**Minute
No.**

Minutes

Action

The meeting closed at 7.03pm