

**Minutes of the Resources Committee Meeting held on
Tuesday 11th February 2020 at 2.00pm**

Present: Juliette Cosgrove
John Fell (Chair)
Veronica Fell
Rob Firth
Alex Kenny
Jonny Lea
Vipin Trivedi

In Attendance: Eddie Green – Vice Principal Services
Caroline Jenkinson – Director of Governance
Ruth Start – Head of Marketing (Item 10)
Andrew Winrow – Head of Finance

Action

The Vice Chair chaired the meeting in the absence of the Chair.

R.20.51 Item 1: Apologies for absence

Apologies for absence were received from John Clarke.

R.20.52 Item 2: Declarations of Interest

A standing declaration of interest was received from Veronica Fell as she is married to John Fell.

R.20.53 Item 3: Minutes of the meeting held on 25th November 2019 and Extraordinary meeting on 24th January 2020 and Matters Arising

The Board resolved to approve the minutes as a correct record.

R.20.54 Item 4: Actions Summary

20.41 A governor asked if all COSHH risk assessments had now been undertaken. The VP Services stated this would be covered at the next meeting of the H&S Committee on 27th March, however, he would check in the meantime whether these had now been completed.

VP Servs

R.20.55 Item 5: Confidential Business

None.

Item 10 was brought forward to the start of the meeting due to the availability of the Head of Marketing Item 10.

R.20.56 Item 10: Marketing Strategy 2019/20 Progress Report Term 2

The Head of Marketing presented the report written by the VP C&Q.

In response to a governor question the VP Services confirmed the addendum to the report included 3 forecasts: the original Transaction Unit forecast; the July 2019 forecast and the current January forecast, presented at today's meeting.

The Chair of Corporation noted the report showed the College were now working towards an enrolment target of 803, the current forecast being 789 and the July forecast having been 794. Overall this would result in an additional 122 enrolments compared to 2019/20.

The marketing link governor confirmed he had been working with the marketing team in monitoring how recruitment events, advertising, school liaison etc. were performing. The Head of Marketing confirmed figures from these activities enabled progress to be tracked on a year-on-year basis. The Chair of Corporation requested that an action progress report be included in the calendar of business for Corporation and brought to its next meeting in February.

**Head of
Marketing**

Governors discussed the figures in table 2 and noted the need to track enrolment progress against the original TU targets. The VP Services explained the report showed the current position in enrolments compared to last year with an increase in enrolments forecast, however, the actual figures would not be known until September.

The Chair of Corporation stated the Standards Committee had also considered the marketing report and had been happy with its content.

The Committee resolved to accept the report.

The Head of Marketing left the meeting at 2.35pm

Item 6: Financial Reports

R.20.57 Item 6.1: Management Accounts to 30th November 2019 and 31st December 2019

The Head of Finance presented the accounts and advised that the adjustments made to forecasts in the November accounts had resulted in a slightly reduced deficit of £6k (table 2, page 1). An increased deficit in teaching activities of £68k had been offset by an increase in the Teacher Pension scheme grant from ESFA of £67k. There had also been a small increase in bank interest of £2k. Balance sheets adjustments had been made to fixed assets and to the capital grant to reflect the refurbishment of the Pennington Building.

There were no adjustments to the operating deficit in the December accounts.

The Committee resolved to approve the Management Accounts to 30th November and 31st December 2019

The Chair arrived at 2.45pm and took over the chair.

R.20.58 **Item 6.2: Financial Forecasts 2019/20 to 2023/24**

The VP Services presented his report which was in a format similar to the July forecasts, being based on achieving growth across the major income lines of 16-18, Apprenticeships and HE.

The forecasts now show good financial health in 2022/23 rather than the original forecast of 2021/22. The 3 main factors to consider since the July forecasts were:

- i) Increased pensions costs – an additional £1.4m over the period
- ii) Pension scheme now in surplus
- iii) 16-18 shortfall in numbers, particularly in the current year, has created a lagged learner effect. This has been offset by an increased funding rate.

Governors referred to the Risk Sensitivity analyses at Annex 4.1 and 4.2, particularly the no growth model which showed a negative cash flow by 2021/22. The VP Services confirmed these models showed the need for short and mid-term planning if sufficient growth is not achieved. Governors questioned whether contingency plans were in place should the worst case scenario materialise. The VP Services confirmed no growth would require strategic oversight at that time with the involvement of governors. However, he reminded governors that the growth figures were based on KGV's historic market share with the aim being to get back to that position, the students were still there and quality of provision was key.

The Chair of Corporation stated that the merger had been based on conservative growth figures, which had not been achieved, and the figures for best case scenarios for growth were still below the original TU targets. It was suggested that contingency planning be a topic for the Governor Strategy Day in May.

In response to a governor question the VP Services confirmed where T-Levels were referred to in Annex 7.1 it should instead refer to 'Capacity and Delivery Fund'.

With regards to the IFMC spreadsheet, the VP Services stated this had yet to be completed due to the number of re-releases of the model and the complexity involved in completing it. He confirmed it would be presented to the Board for approval upon completion.

The Committee resolved to accept the report and recommend approval of the 3 year financial forecasts by the Corporation.

R.20.59 **Item 6.3: Merseyside Pension Fund (MPF) Valuation Report**

The VP Services presented a report showing an overview of the results from the Triannual valuation of the MPF as at 31 March 2019. He explained the pension had gone from a deficit in 2016 to a surplus for 2019. The pension fund actuary had issued pension statements to all employers and the College now had to decide whether to recover surpluses from the scheme in the form of reduced contributions. However, consideration also had to be given to the potential effects from a legal challenge against public sector pensions known [REDACTED]

The financial implications of the various options were set out in a table at 5.1.

The VP Services confirmed the proposal was that the College provide for the potential costs of [REDACTED] within the MPF valuation and recover the pension fund surplus on the basis of retaining a funding level of 101%.

Following discussion:

The Committee resolved to accept the report and recommend the above proposal to the Corporation.

R.20.60 Item 6.4: Market Oversight Team Report

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

The Committee resolved to accept the report.

R.20.61 Item 6.5: Industry Placement Capacity and Delivery Fund 2019/20 Project Report, Term 2

The Vice Principal Services presented a report written by the Assistant Principal regarding the current position relating to the provision of industry placements. The report gave an overview of the progress towards targets and income and expenditure forecasts.

Governors discussed the 170 students scheduled to participate in the placements against a minimum funding requirement of 131. It was acknowledged that the aim was for all 170 students to complete the placements however this was unlikely due to a number of factors such as retention but the College were confident the minimum requirement would be achieved.

The Chair of Corporation referred to the ESFA query outlined in 3.7 and asked if this related to our college only or to all colleges in general. The VP Services confirmed he would follow this up with the Assistant Principal.

**VP Servs/
AP**

The Committee resolved to accept the report.

R.20.62 Item 6.6: Investment Policy and Performance

The Head of Finance presented his report updating the Committee on the investment policy and performance in respect of College Funds. He confirmed there had been an overall increase in investment performance averaging 0.76% for 2018/19 compared to 0.65% for 2017/18. No changes to the Investment Policy were being proposed.

The Chair noted two accounts were maturing in April, the Head of Finance stated consideration would need to be given to how these would be re-invested going forward, particularly in light of the Pennington Project and monies due in via grants.

With reference to a query by the Chair regarding the total deposits and cash flow figures in Annex 4 the VP Services stated that grant monies from the LCR of £166k from the Low Carbon Fund (not spent as yet) and £192k for the gas and plumbing workshops were due to be remitted shortly.

The Committee resolved to accept the report and recommend approval of the Investment Policy by the Corporation.

R.20.63 Item 6.7: Annual Review of Fees Policy

The VP Services presented a report identifying the current position on fees and fee remission with recommendations for the academic year 20/21 for FE courses and 2021/22 for HE Courses. He informed the Committee there were no proposed changes to tuition fees.

In response to a governor question regarding Community Learning the VP services confirmed these consisted of leisure courses that were not funded through the main qualification bodies, for example, ESOL courses undertaken prior to moving to a qualification based ESOL course.

The Committee resolved to accept the report and recommend approval of the Fees Policy by the Corporation.

R.20.64 Item 7: Disciplinary and Grievance Procedures for Senior Post Holders

The VP Services presented the report written by the Head of Personnel and Payroll requesting approval of the revised Disciplinary and Grievance Procedures for Senior Post Holders.

Governors queried some of the wording within the Procedures and requested that any reference to the Clerk be amended to Director of Governance. The VP Services confirmed he would ask the Head of P&P to compare the wording with that contained within the Staff policy. The updated Procedures would be brought to the next Committee meeting.

VP Servs

R.20.65 Item 8: Test and Learn Pilots

The VP Services presented a report written by the VP Curriculum & Quality regarding the introduction of Test and Learn Pilots in 2019/20.

In response to a governor query he confirmed that not all pilots took place within the College, for example some ESOL provision is undertaken externally.

The Chair of Corporation referred to 2.5 and queried what the current position with the pilots was due to the first update on progress being due on 28 February 2020. As this was a report from the VP Curriculum & Quality it was suggested this question be followed up by the Standards Committee.

**Standards
Committee/
VP C&Q**

The Committee resolved to accept the report

R.20.66 Item 9: Accommodation Update

The Committee received an update on the progress of projects within the Accommodation Strategy from the VP Services. He confirmed

- the final certificate of completion for the RG Building had been received with payment signed off and due to be made Friday. The final cost being back to £751k.
- progress on the sports pitches ongoing
- the first tranche payment of grant for the gas and plumbing workshops due on 13th February
- Low Carbon Fund money received – progress to be considered

With regards to the Pennington refurbishment project the VP Services confirmed a meeting with [REDACTED] (specialists in procurement in education) had taken place. The College had used [REDACTED] in the past for procurement advice when placing catering, cleaning and security contracts. [REDACTED] are to oversee the tender process for the appointment of consultants to manage the refurbishment project. Following the tender process, approval of the appointment of contractors would be sought from the Board.

The Committee resolved to accept the report

R.20.67 Date of Next Meeting

Wednesday 29th April 2020