

**Minutes of the Resources Committee Meeting held on  
Monday 25<sup>th</sup> November 2019 at 4.30pm, KGV**

<b>Present:</b>	John Clarke Juliette Cosgrove John Fell (Chair) Veronica Fell Rob Firth Alex Kenny Vipin Trivedi
<b>In Attendance:</b>	Eddie Green – Vice Principal Services Caroline Jenkinson – Director of Governance Andrew Winrow – Head of Finance

**Action**

**R.20.27      Item 1: Apologies for absence**

Apologies for absence were received from Vickie Hayes.

**R.20.28      Item 2: Declarations of Interest**

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

**R.20.29      Item 3: Minutes of the meetings held on 9<sup>th</sup> October 2019 and  
Matters Arising**

Pay award update - a separate confidential minute was recorded for this.

***The Board resolved to approve the minutes of 9<sup>th</sup> October 2019 as an accurate record.***

**R.20.30      Item 4: Actions Summary**

All items complete.

**R.20.31      Item 5: Confidential Business**

The VP Services confirmed any reference made regarding contractors was to remain confidential.

**Item 6: Financial Reports**

**R.20.32      Item 6.1: Management Accounts to 30<sup>th</sup> September 2019 and 31<sup>st</sup>  
October 2019**

The Head of Finance presented the accounts and advised that all adjustments made in the September accounts were the same as for the October accounts, these being:

- a small reduction in funding from the ESFA for AEB funding
- an increase in high needs income
- an increase in recruitment expenditure

- an increase in rates expenditure due to the Southport BID levy, which owing to the expansion of the area considered to be town centre now includes Southport College. The levy being based on the total rateable value excluding the usual 80% relief allowance.
- FRS pensions charges based on the recent actuarial statement.

Governors were advised that the risk sensitivity analysis consisted of the changes made to the rolling cash flow forecast since July 2019. The VP Services drew governors' attention to the shortfall in HE and Apprenticeships when compared to the original budgets. In response to the Chair's question regarding the availability of additional adult education budget funding, the VP Services confirmed a meeting was scheduled with the LCR in early December where this would be discussed.

In response to a governor question the Principal agreed to pursue the availability of grant support for trainee teachers prior to new HE students starting in January 2020.

**Principal**

In response to a governor question the VP Services confirmed the balance sheet at page 6 took into account the reduction in the pension valuation for the current year.

***The Committee resolved to approve the Management Accounts to 30<sup>th</sup> September and 31<sup>st</sup> October 2019***

#### **R.20.33 Item 6.2: Financial Statements 2018/2019**

The VP Services presented the College's proposed accounting policies to be used in the production of the annual Audited Accounts for the year ended July 2019. He confirmed the Audit Committee had been happy with the Statements and the auditors had not raised any audit issues, and they were, therefore, ready for governor signature. The Governance Committee had reviewed the Members' Report and made slight amendments which would be brought to the next Corporation meeting.

The VP Services summarised the information outlined in the reports' annexes, including:

- Annex 4 – noted the biggest change in the 17/18 outturn to 18/19 being due to grant funding
- Annex 5 – adjustments made throughout the year
- Annex 6 – big swing in pensions, big actuarial loss compared to a saving the previous year. March 2019 results now showing a pension surplus - 103%
- Annex 7 – ESFA spreadsheet completed for their analysis
- Annex 8 – showed the differences in outturn and financial plan outturn totalling £90,000.
- Annex 9 & 10 – Auditors' letters of representation for signature

In response to a governor question regarding the percentage of other income to funded income being below the national rates the Head of Finance explained that this was largely due to other colleges gaining income from other avenues such as international work, language schools and significant contracts with private companies. The Chair noted that the College had always been below the national rate in this area.

The Committee discussed the limited options available to the College, particularly due to its size and location, to increase funded income and acknowledged the potential risks they brought with them.

The Chair of Corporation thanked the VP Services and the finance team for their work on the report.

***The Committee resolved to approve the appropriateness of the College's Accounting Policies for use in the 2018/2019 Audited Financial Statements.***

Juliette Cosgrove joined the meeting at 5.00pm

**R.20.34 Item 6.3: ESFA Financial Dashboard**

The VP Services presented a letter (dated 23<sup>rd</sup> October 2019) from the ESFA which set out the College's financial health assessment for 2018/19 ('Requires improvement') and planned financial position for 2019/20 ('Requires improvement').

The Financial Dashboard measured the College's performance against the sector norms. The VP Services advised that during the recovery period following merger certain key performance indicators (e.g. performance ratio, staff costs as a percentage of income) would be negatively impacted.

Following discussion the VP Services agreed to extend the period covered by the graphs on the Dashboard to 2023/24 to enable governors to clearly see the College's direction of travel, actual and forecast over the total seven year period. This would be included in January's financial forecasts.

**VP Servs**

The ESFA letter and Dashboard to be circulated to the Board.

**Dir of G**

***The Committee resolved to accept the report.***

**R.20.35 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.***

**Item 7: Human Resources Reports**

**R.20.36 Item 7.1: Staff Survey 2019**

The Vice Principal Services presented a report on the outcomes of the 2019 Staff Survey. The College had again participated in a group survey co-ordinated by York College, involving 39 other colleges this year, against which the responses had been benchmarked

The response rate had been 52%, compared to 67% in 2018. The decline had been narrowed down to a small number of departments.

Responses on the whole had been positive, with those questions scoring highest and lowest outlined in the report. The lower scoring questions were mainly around communication with regards to operational issues and day-to-day activities. Requests had been made to reinstate a College 'newspaper', similar to 'Inside Story' formerly produced by Marketing. Marketing/Head of Personnel & Payroll to follow up.

**Marketing/  
Head of  
P&P**

***The Committee resolved to accept the report.***

**R.20.37      Item 7.2: Union Management Forum**

The Committee received for information a summary of discussions at the Union Management Forum meeting held on 5<sup>th</sup> November 2019. The VP Services confirmed a new local NEU representative had recently been appointed, however, there were still no local GMB or Unison representatives.

***The Committee resolved to accept the report.***

**R.20.38      Item 8: Accommodation Update**

Governors received an update on the projects within the Accommodation Strategy.

The VP Services confirmed the gas and plumbing workshops were due for completion by 27<sup>th</sup> November, slightly later than anticipated due to a delay with ducting works, however, these would not have an impact on costs. The grant for the works was progressing with a final copy for signing awaited following legal queries.

Grant applications for the LCR Low Carbon Fund Bid and LCR Strand 1 Capital Bid had been submitted and were progressing to the next stage for consideration by the LCR at their meeting on 6<sup>th</sup> December. It was thought that if the College passed this initial appraisal stage for the Strand 1 Bid it would be likely that further detailed information on the project would be required.

***The Committee resolved to accept the report.***

**R.20.39      Item 9: Accommodation Strategy 2019/20-2023/24**

Governors received a detailed report on the Accommodation Strategy for 2019/20 to 2023/24. The report addressed key areas arising out of the evaluation of the condition of buildings and curriculum requirements. The overall Strategy was a reconfirmation to maintain the two individual college sites and divided projects into those that were already planned or in progress and, separately, those which would be subject to external funding.

Financial implications of the approved and ongoing projects was at a cost of £501k, with the gas and plumbing workshops being significantly grant funded. It was noted that there was a risk that costs may escalate as projects were developed and would, therefore, be subject to close monitoring and tendering procedures followed as required to ensure value for money is obtained.

***The Committee resolved to accept the report and recommend approval of the Accommodation Strategy by the Corporation.***

**R.20.40      Item 10: IT Infrastructure Update**

The VP Services presented the report which provided an update on the progress of the infrastructure plan in relation to merging the IT systems across the two sites. The report outlined the key actions that had taken place since the previous update.

The costs of implementing the project were already within the Rolling Programme and the remainder would be absorbed within the budgeted General IT and Equipment capital expenditure budgets.

In response to a governor question, the VP Services confirmed the recent recruitment of an additional 3<sup>rd</sup> level support technician had proved successful and the department were already benefitting from the additional skills now available.

***The Committee resolved to accept the report***

**R.20.41 Item 11: Health & Safety**

The Committee received for information a summary of discussions at the Health and Safety meeting held on 4<sup>th</sup> November 2019.

The report outlined the key areas of note covered during the meeting. In response to a governor question regarding the audit of Motor Vehicle the VP Services confirmed not all COSHH risk assessments had been completed but were currently being undertaken. Details would be brought back to the next health & safety committee meeting under 'Follow Up of Previous Health and Safety Points'.

***The Committee resolved to accept the report***

**R.20.42 Item 12: Marketing Strategy 2019/20 – Progress Report Term 1**

The Committee received for information a progress report which had a prime focus on 16-18 recruitment.

In response to a governor request the Principal agreed to include in the next report details of actual enrolment figures and where the respective students had come from.

**Principal/  
VP C&Q**

The Chair of Corporation advised it would be helpful for governors if the TU/MOT target figures were also included in the report. The Principal agreed to add a column to show this on the summary of applications at Annex 1.

**Principal**

***The Committee resolved to accept the report***

**R.20.43 Item 13: Annual Assessment of Performance**

The Committee received for information an assessment of its performance in relation to the terms of reference.

The Chair referred to an error at paragraph 1.4 and an additional meeting to be added at 4.3. Director of Governance to amend.

**Dir of G**

***The Committee resolved to accept the report***

**R.20.44 Item 14: Items to be reported to the Corporation**

The Chair summarised the outcomes of the meeting and identified the following matters which would be brought to the attention of the Corporation at its meeting on 4<sup>th</sup> December 2019:

- Financial Statements for 2018/19 were recommended for approval by the Corporation
- Revised Accommodation Strategy recommended for approval

***The Committee resolved to accept the report and recommend the proposed changes to the Board for approval***

**R.20.45      Date of Next Meeting**

To be confirmed.