

Preston's College

**Redacted and Abridged<sup>1</sup> Minutes of the Resources Committee Meeting held on 24 June 2020  
at 5.30pm Via Zoom**

**Present:**

Mr J Taylor	Chair
Dr E Smith	Principal and Chief Executive
Mr J Boydell	
Mr S Edwards	
Ms J Jones	

**In attendance:**

Mr S Nixon	Executive Director Resources
Mrs C Rayner	Clerk to the Board
Ms G Thornton	Head of Human Resources

**Apologies:**

Mr S Browne – apologies received retrospectively  
Ms K Williams

**1. Welcome and Apologies**

The Chair noted that apologies had been received from Ms Williams.

It was noted that a quorum was present.

**2. Declarations of Interest**

No declarations of interest were made.

**3. Minutes of the meeting held on 13 February 2020**

The Committee agreed the Minutes of Resources meeting on 13 February 2020 as a correct record.

**Resolved: the minutes of the meeting held on 13 February 2020 were approved.**

**4. Matters arising**

The Committee noted the report on progress of actions from the previous meeting. The Committee discussed and noted a report on Children Looked After and Care Leavers which had been provided in response to the Committee's request for further information on the College's support for Looked After Children. It was noted that a presentation would also be arranged for the autumn term.

**Resolved: The Committee:**

- **noted the report on progress on actions from previous meeting;**

---

<sup>1</sup> Please note that any matters which the Corporation is satisfied should be dealt with on a confidential basis have been removed from these minutes.

- **noted the report on the College's support for Looked After Children.**

## 5. **Management Accounts**

Mr Nixon, Executive Director Resources, presented his report on the Period 9 Management Accounts and commentary. Mr Nixon reported:

- the accounts had been updated in light of significant changes to College operations since lockdown commenced on 23rd March 2020 and that governors had been kept up to date on these developments at full Board meetings since that date;
- the College's financial position was unavoidable due to the pandemic lockdown, however, if the projected outturn was achieved it would ensure compliance with bank loan financial covenants;
- overall income projection for 2019/20 against initial budget;
- income shortfalls were outlined in the attached commentary, but were largely driven by the impact of COVID-19, including the income reduction related to apprenticeships, both levy and non levy, since new starts or completions in year had not been possible since lockdown. Of the remainder, commercial full cost income represented the largest single impact;
- College expenditure forecast against budget;
- a bottom line forecast of a deficit. He explained that revised income assumptions, particularly in relation to apprenticeships and commercial activity, had caused this change, offset to some extent by planned cost savings;
- whilst it was disappointing to forecast deficit given the College's improved financial position prior to shutdown, the deficit was much lower than initial projections;
- expected year end cash balance with no cash issues expected.

The Committee discussed the Period 9 Management Accounts with management and, in response to queries, noted:

- assurance that the College had taken a proactive approach in discussions with the bank;
- the College's cash position was higher than the last 5-6 years;
- the College was likely to be more adversely impacted by the shutdown than colleges without apprenticeships and commercial income as these areas had been the worst affected. However, broadly the College's financial position was similar to other colleges;
- the ESFA's approach to financial grading of colleges in light of the shutdown was to be confirmed. However, this grading was separate from the Ofsted grading which was unaffected;

- how examination costs affected the financial position.

The Committee commended the management team on its efforts to manage costs during the lockdown. The Committee agreed the projected deficient would be an acceptable outcome given the unprecedented circumstances with many factors beyond management control.

The Principal and Chief Executive recorded her thanks to the Executive Leadership Team for their hard work and pragmatic approach to managing the finances during the shutdown and in agreeing the budget for 20/21. She explained the team had worked together to make difficult decisions in the best interests of learners, staff and the College.

**Resolved: The Committee noted the Period 9 Management Accounts, commentary and financial position.**

## 6. Performance Against Key Performance Indicators

Mr Nixon presented his report on Performance Against Key Performance Indicators (KPIs) – Period 9.

The Committee discussed the report on Current performance against Key Performance Indicators with management. Members commented:

- that despite the impact of lockdown, the College's forecast cash position was acceptable, particularly when compared to previous years;
- on the possibility of mental health challenges for learners and staff as the long term consequences of lockdown unfolded later in the year, particularly anxieties related to returning to campus. Members stressed the importance of the College's wellbeing initiatives.

The Committee noted:

- various College initiatives for staff and learners requiring support with anxiety during lockdown;
- staff sickness levels had decreased during lockdown.

The Committee noted the report on current performance against Key Performance Indicators and commended management on progress to date.

**Resolved: The Committee noted the report on current performance against Key Performance Indicators.**

## 7. Budget 2020/21

Mr Nixon presented the draft budget for 2020/21. He reported:

- challenges in preparing the budget remotely;
- Heads of School had worked hard to compile a curriculum plan remotely;
- an expectation that some learners might convert to an apprenticeship later in the year as more opportunities become available as businesses stabilised following lockdown;

- given the uncertainties of 2020/21, the importance of setting a prudent and realistic budget;
- management did not plan any major team restructures, however some curriculum areas would be reviewed if unsustainable;
- additional costs to accommodate in terms of pay progression and costs associated with the expected continuation of social distancing;
- budget projections for 2020/21, after which longer term ambitions could be revisited;
- given the uncertain economic conditions, the Board's ambition prior to lockdown of increasing the annual staff pay award above 1% in future years had not been budgeted for in 2020/21, however the 1% pay award and pay progression had been budgeted for.

Members commented:

- the importance of ensuring staff stability where possible;
- the importance of strong communications to staff and learners during this period to maintain momentum;
- that 2020/21 would be a recovery year before continuing the ambitions of the College's Five Year Strategic Plan.

The Committee discussed the draft budget with management and in response to questions noted:

- apprenticeships and commercial income were at risk if there was a second wave of coronavirus;
- the College was unlikely to benefit from growth in learner numbers in 2020 until the 2021/22 academic year, pending confirmation of funding arrangements for 2020/21/22;
- support for colleges had not been included in the recent government announcements of funding for schools;
- additional costs relating to the purchase of iPads to loan to some learners to enable them to work remotely;
- significant work with staff and learners to ensure staff and learner safety when working remotely.

Following a request, management undertook to provide further information on the total cost in 2019/20 of loaning iPads, and other electronic equipment, to learners and the cost to the College of unreturned equipment. Members agreed it would be useful to review the costs as remote learning would be part of the College's offer for most courses going forward.

The Committee approved the budget for 2020/21 for recommendation to the Board.

**Resolved: The Committee approved the budget for 2020/21 for recommendation to the Board.  
Action: Management to provide further information on the total cost in 2019/21 of loaning equipment to learners and the cost to the College of unreturned equipment.**

## 8. **Policy Review – Management of Attendance**

Ms Thornton, Head of Human Resources, referred members to the proposed changes to the Management of Attendance Policy which had been reviewed as part of HR's rolling review of employment policies. She reported that:

- the policy was fit for purpose and only minor amendments had been made;
- no changes to legislation needed to be incorporated;
- a reference to the Gender Recognition Act 2004 had been included to recognise that some absences related to this act may apply under our Management of Attendance associated procedure.

Ms Thornton referred to discussions with the unions regarding the Management of Attendance procedure.

In response to a question, Ms Thornton outlined the ongoing wellbeing initiatives to support staff including two independent counselling support lines. Members were reassured that proactive wellbeing initiatives were in place.

The Committee approved the revised Management of Attendance Policy for recommendation to the Board.

**Resolved: The Committee approved the revised Management of Attendance Policy for recommendation to the Board.**

## 9. **Workforce Profile Report 2018/19**

Ms Thornton, Head of Human Resources, presented the Workforce Profile Report for 2018/19. She reported:

- the Workforce Profile Report for the 2018/19 academic year at Appendix A provided an analysis of the profile of the workforce against key employment performance indicators and protected characteristics as defined by the Equalities Act 2010;
- the report included workforce data up to the end of the last academic year – 2018/19. It also included workforce data for the academic year 2016/17 and 2017/18 for comparison, where possible, against our local community and our learners;
- the report incorporated data from the Further Education Workforce Data for England, analysis of 2018/19 Staff Individualised Record (SIR) Data. Unfortunately, the AoC had not published their workforce benchmarking data in time for this committee cycle;
- the indicators show that the College's performance was on par with comparator organisations and did not raise any significant issues of risk;
- as the report was based on 2018/19 data it would not show the progress the College has made in recruitment in the last year.

The Committee noted the Workforce Profile Report 2018/19.

**Resolved: The Committee noted the Workforce Profile Report 2018/19.**

10. **Any other business**

The Clerk reported that she would ask the Committee to approve the Part 2 minutes by written resolution as there were insufficient independent governors present, who had also been present at the previous meeting, to approve the minutes.

11. **Date of next meeting**

The Committee noted that next meeting of the Resources Committee would be confirmed following the July Board.