

Preston's College

**Redacted and Abridged ¹Minutes of the Resources Committee Meeting held on
17th June 2021 at 5.30pm
Via Zoom**

Present:

Mr J Taylor	Chair
Mrs L Doswell	Principal and Chief Executive
Mr J Boydell	
Mr S Browne	
Mr S Edwards	
Ms J Jones	

In attendance:

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

Apologies:

Mr S Anyon

1. Welcome and Apologies

The Chair welcomed everyone to the meeting. The Chair welcomed Mrs Doswell, Principal and Chief Executive, to her first meeting.

It was noted that a quorum was present.

2. Declarations of Interest

No declarations of interest were made.

3. Minutes of the previous meeting – 6th May 2021

The Committee agreed the Minutes of the Resources meeting on 6th May 2021 as a correct record.

Resolved: the minutes of the meeting held on 6th May 2021 were approved.

4. Matters arising

The Committee noted the report on progress of actions from previous meetings.

Resolved: The Committee noted the report on progress of actions from previous meeting

5. Management Accounts

Mr Nixon, Executive Director Resources, presented his report on the Period 9 Management

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

Accounts and commentary.

Mr Nixon reported:

- the most significant risks remained the clawback of the Adult Education Budget (AEB) by the Education and Skills Funding Agency (ESFA). ;
- proactive discussions with the bank;
- the impact of Covid on the going concern position of all colleges, with additional external audit work required during the 2019/20 financial statements audit. Members noted that due to two key factors, changes to the insolvency regime, which meant colleges could become insolvent, and the impact of the pandemic on income earning potential, the College's going concern position would be closely reviewed by governors and management and tested by auditors at year end. Members noted that governors could monitor the College's financial performance via review of management accounts, KPI reports and the Risk Register. Members noted whilst there were no immediate risks it was important for governors and management to review the College's going concern position on a regular basis. Mr Nixon explained that, further to discussion at Audit Committee, further information would be provided more explicitly through the management accounts on going concern;
- the Audit Committee had also agreed to add a risk relating to key changes in Board and leadership during 2021 and the importance of this for audit purposes;
- the College had a negative balance sheet, when pension deficits were included which was an event of default, and whilst this situation had existed for at least 10 years, discussions were ongoing with the bank;
- the Committee had not been asked to make a recommendation to the Board regarding the pay award for staff at this meeting and this decision could be deferred until the autumn when the 2020/21 financial position was clearer.

The Committee noted the impact of the clawback on the financial statistics and the potential for a longer term impact on the College's cash position. In response to queries, Mr Nixon confirmed:

- the AoC continued to lobby government on behalf of colleges with regard to AEB clawback;
- if invited to the College would prepare a business case for ESFA on reasons the College had not met the threshold for AEB funding in 2020/21, particularly given the number of additional local lockdowns and restrictions experienced in the North West.

Members suggested the development of a dashboard which brought together the financial information already provided alongside regular going concern assessments, assessment of year end and projections for the next 12 months.

Members noted the Management accounts and the appendices:

- Management Accounts Period 9 commentary at Appendix B;
- correspondence from ESFA dated 13th May 2021 re College's health at Appendix C;
- Finance dashboard dated May 2021 at Appendix D;
- monthly cash flow forecast at Appendix E.

Resolved: The Committee noted the Period 9 financial position.

Action: Mr Nixon to explore the development of a dashboard.

6. Performance Against KPIs

Mr Nixon presented his report on Performance Against Key Performance Indicators (KPIs) – Period 9 and referred members to the KPI dashboard at Appendix A and summary report at Appendix B.

The Committee discussed with management how the College's pay as a percentage of income ratio had been impacted by the decline in College revenue as a result of Covid. Members also discussed the other mitigations management had put in place during Covid including reviewing and not filling internal vacancies where viable. Members noted that management must take a balanced approach to ensure that quality of teaching and learning was maintained.

In response to queries, Mr Nixon reported on:

- impact to date of bringing the College's catering provision back in house. It was noted that as many staff and learners continued to partly work or study remotely this would impact income for the remainder of term. However, catering was expected to generate income for the College in the medium to long term;
- how other commercial income was broken down and the impact of Covid on this revenue stream. Members commented that the College had loaned the use of College's land for NHS Covid testing without charge, whilst other organisations had charged to generate income.

The Committee noted the KPI report.

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

7. Budget 2021/22

Mr Nixon presented his report on the Budget 2021/22 which summarised the outcome of the detailed budget setting activity that has taken place. Mr Nixon referred members to the draft budget 2021/22 at Appendix A and reported:

- the College had undertaken a comprehensive business planning process including a full review of the curriculum plan and associated staffing requirement;
- the budget has been prepared in unusual circumstances, but largely assumed that the year would be relatively normal with few pandemic restrictions. Risk has been factored in where possible to safeguard against needing to make significant changes if any restrictions were put in place, but has not been completely mitigated;
- appropriate staffing levels had been assessed during review of business plans;
- the 2020/21 financial year was always likely to be difficult, and the impact of the pandemic on some income lines, notably Adult Education Budget and apprenticeships, and outturn for 2020/21. The budget for 2021/22 was set on the basis of beginning the post-pandemic recovery and outlined a proposed surplus; In-year improvements would be sought dependent on external circumstances, but was considered to be a good starting point to continue the improvements in financial health made in recent years;

- there would no longer be a funding distinction between levy and non levy apprenticeships. Whilst apprentices had been significantly impacted by Covid and the budget would not be achieved in 2020/21, recruitment has been encouraging since the easing of lockdown restrictions in March 2021, which should lead to a reasonable start for 2021/22 in terms of continuing learners;
- impact of subcontracting income on the College's staff costs;
- the Resources Committee had recommended to the Board deferral on the decision of a staff pay award;
- the budget had been prepared with provision for a 1% pay award and to account for pay progression;
- progress of ongoing grant funded capital bids.

The Committee discussed the draft budget with management and in particular the growth of income budgeted and the areas of anticipated growth given the difficult context of Covid. The Committee noted that a bounce back was anticipated post Covid, and there were already positive indications and, whilst the budgeted growth was considered achievable, income might continue to be impacted by Covid restrictions during 2021/22.

During discussion with management, the Committee:

- welcomed confirmation that a sensitivity analysis information would be provided as part of the three year forecast;
- noted an update on plans for learners to return any loaned IT equipment and that any equipment which was broken or not returned would be accounted for under bad debts;
- noted the comparison table when combining both levy and non levy apprenticeships in 2020/21 provided in paragraph 6.

Mr Nixon undertook to provide further information on line 2a – Adult Classroom Based Learning. The Committee reviewed the Budget 2021/22 and recommended it to the Board for approval.

Resolved: The Committee reviewed the Budget 2021/22 and recommended it to the Board for approval.

Action: Mr Nixon undertook to provide further information on line 2a – Adult Classroom Based Learning.

8. Health and Safety Policy Review

Mr Nixon presented his report on the Health and Safety Policy Review. Mr Nixon explained that the Health and Safety policy had been reviewed and revised with proposed amendments shown in track changes at Appendix A, B and C, including:

- new sections had been introduced to Part 3: Arrangements for Health and Safety Pandemics, Safeguarding and Prevent, Remote Working to reflect current circumstances;
- revisions had been made to reflect changes to the College's operational structure within Estates, Health and Safety;

- he considered that a more substantive review of the policy was necessary and this would be scheduled for 2021/22

Mr Nixon reported on ongoing health and safety work at the College, particularly in relation to Covid matters.

The Committee agreed to recommend the proposed changes to the policy to the Board.

In response to a query, Mr Nixon reported on the number of defibrillators on the College campus. He reported that there were three on site and management were exploring adding a defibrillator to the construction building and members discussed possible sponsorship options.

Resolved: The Committee agreed to recommend the proposed changes to the Health and Safety policy to the Board.

9. **Employment Policy Review**

a) **Remote Working Policy**

Ms Thornton, Head of HR, presented her report on the introduction of a Remote Working Policy. Ms Thornton reported that policy development had started before lockdown and the proposed policy would support and maintain progress made in the development of new and innovative ways of working during the course of the COVID-19 pandemic.

During discussion the Committee noted:

- the policy had been the subject of consultation with the Joint Union Body;
- the scope of the policy with occasional home working, however this might change as the Estates strategy developed.

The Committee discussed the importance of a Remote Working Policy in attracting and retaining high calibre staff and agreed to recommend the Remote Working Policy to the Board for approval.

b) **Staff Utilisation and Additional Duties Policy**

Ms Thornton presented her report on the Staff Utilisation and Additional Duties Policy which had been updated to ensure that the College upheld a fair and equitable approach in the management of workload and allocation of duties for academic staff. Ms Thornton explained that the policy has been split into two documents as part of the review to reflect the practice adopted for all other documentation. She referred members to the new policy, at Appendix A, and explained that the previous policy been revised to become the associated procedure. Member noted that the policy had been the subject of consultation with the Joint Union Body

Ms Thornton highlighted new provisions in the policy which positive for staff including:

- providing a model for Work Based Tutor hours and caseloads to ensure fairness and consistency; and
- providing hours for HE staff to undertake Scholarly Activity in order to support professional development of lecturers and to maintain the high standards of HE courses.

During discussion, members noted that the additional hours provided to staff was not expected to significantly impact the staff budget due as the new policy codified ongoing good practice. The Committee approved the revised Staff Utilisation Policy.

Resolved: The Committee

- **approved the Remote Working Policy for recommendation to Board;**
- **approved the revised Staff Utilisation Policy for recommendation to Board.**

10. Statutory Trade Union Facilities Time Report

Ms Thornton presented her Statutory Trade Union Facilities Time Report. Ms Thornton:

- explained that organisations employing more than 250 staff were required by statute to publish an annual Trade Union Facility Time Report;
- for the reporting period there had been two local trade union representatives operating in College and other unions were represented by Regional Officials for which no costs were attached;
- referred members to the report, at Appendix A, which showed the total cost of union facilities time as a percentage of the overall pay bill was 0.05%;
- referred members to a report on comparison of the data from 2019/20 to 2020/21, at Appendix B, to highlight the differences in the information.

The Committee discussed the report and suggested that the figures included in the report were rounded to 1 or 2 decimal places before publication. The Committee noted the Committee would be considered by the Board and agreed that the report should be recommended to the Board for publication.

Resolved: The Committee agreed the Statutory Trade Union Facilities Time Report should be recommended to the Board for publication.

11. Governance Handbook

The Clerk reported that as part of the development of the Governance Handbook she had drafted role descriptions for all committee Chairs. The Clerk referred members to the draft role description for the Chair of Resources Committee which she had drafted in consultation with the Chair and the Executive Director of Resources after reviewing role descriptions from other colleges.

The Committee discussed and noted the draft Chair of Resources Committee role description.

Resolved: the Committee noted the draft Chair of Resources Committee role description

12. Any other business

a) Valediction

Members noted that this was the Chair's final Resources Committee meeting as he would retire from the Board in July 2021. The Chair of the Board thanked the Chair on behalf of the Committee for his contribution to governance at the College in his role as Chair of the Resources Committee. The Chair thanked the Chair for his comments and wished the Committee well for the future.

13. Date of Next Meeting

The Committee noted that meeting dates for 2021/22 would be confirmed at the July Board meeting.