

## **Preston College**

### **Redacted and Abridged<sup>1</sup> Minutes of the Resources Committee Meeting held on Thursday 13 June 2024 at 5.30pm Preston College Boardroom**

#### **Present:**

Ms Joanne Jones	Chair
Mr John Boydell	Remote- Zoom (Until Minute 10)
Mr Steve Browne	Remote- Zoom (Until Minute 11)
Miss Amanda Morey	
Mr Simon Nixon	Principal and Chief Executive
Mr Jose Sedano-Martinez	

#### **In attendance:**

Mr Mark Airey	Head of Finance (until Minute 10)
David Djordjevic	Estates and Facilities Manager (until Minute 3)
Mrs Clare Rayner	Clerk to the Board
Mr Iain Stott	Vice Principal - Corporate Services
Ms Gill Thornton	Head of Human Resources

#### **1. Welcome and apologies**

The Chair welcomed everyone to the meeting including welcoming Miss Amanda Morey to her first Resources Committee meeting since her appointment as Staff Governor.

The Committee noted apologies from Mrs Karen Dunmore, Vice Principal – Finance. It was noted that a quorum was present.

The Chair also welcomed David Djordjevic, Estates and Facilities Manager, to his first meeting of the Resources Committee since his appointment and welcome Mr Airey, Head of Finance, to the meeting.

#### **2. Declarations of interest**

The Committee noted the inherent interest of all staff in the employment policies Item 11.

#### **3. Environmental Reporting and Sustainability Development Strategy**

The Chair explained that the Estates Strategy item would be brought forward.

Mr Djordjevic introduced the draft Environmental Reporting and Sustainability Development Strategy. He reported that:

- the purpose of the strategy was to demonstrate the College's commitment to sustainability and to define the targets and milestones to achieve the College's sustainability vision;
- the College would establish a Sustainability Steering Group;

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<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

- he had engaged with sustainability and environmental experts to establish a baseline Carbon Emissions survey for 2022/23. Also, to provide subsequent annual reports including SECR;
- a target for colleges to become carbon neutral by 2020.

The Committee discussed the draft strategy with Mr Djordjevic and management and in response to comments and queries the Committee noted:

- that in response to a query on whether the proposed strategy was sufficiently future proof, it was anticipated that a government objective of emissions to reach net zero (carbon neutral) by 2050 might be brought forward. In anticipation of this, the strategy included a target of the College becoming carbon neutral by 2040. The Committee noted that this was a more challenging carbon target than had previously been discussed and would require some difficult investment decisions;
- the anticipated cost of survey work;
- initiatives already underway at the College to reduce energy use, including rolling out LED lighting across the campus and reviewing building utilisation to reduce gas and electricity use.

Following discussion, the Committee agreed to include the College's target of becoming carbon neutral by 2040 and agreed to recommend to the Board: the draft Environmental and Sustainability Strategy, engagement of a third party to undertake detailed carbon and emissions benchmarking for 2022/23 and to update these annually including the production of an annual Streamlined Energy and Carbon Reporting (SECR) Report.

The Principal and Chief Executive commended Mr Djordjevic's work on the strategy which had been developed under challenging timescales.

**Resolved: The Committee agreed to recommend to the Board for approval:**

- **the draft Environmental & Sustainability strategy;**
- **the engagement of a third party to undertake detailed carbon and emissions benchmarking for 2022/23 and to update these annually including the production of an annual SECR Report.**

*Mr Djordjevic left the meeting.*

#### **4. Minutes of the previous meeting held on 2 May 2024**

The Committee approved the minutes of the meeting held on 2 May 2024 as a correct record.

**Resolved: The Committee noted the amendment and the minutes of the meeting held on 2 May 2024 were approved and signed as a correct record.**

#### **5. Matters arising**

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

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

## 6. Equity, Diversity and Inclusion Strategy

The Principal and Chief Executive presented his report on the Equity, Diversity and Inclusion Strategy. He reported;

- that the Quality and Standards Committee had discussed that the concept of equity also played a big part in the College's draft objectives and had suggested that equity rather than equality better reflected current thinking. He commented that the Association of Colleges and the Education Training Foundation had also taken this approach. Following this discussion, the strategy had been renamed;
- that both equity and equality were important in the context of an education institution and many of the College's legal obligations were defined by equality legislation, including the Equality Act 2010. Therefore, the College would be mindful not to conflate equity and equality and the introduction to the draft strategy had been updated to include definitions of both equity and equality;
- that the draft had been amended to reflect the feedback at the Resources Committee meeting on 8 February 2024 and with reference to wellbeing removed and a reference to the Board's role in approving partnership added;
- the Search and Governance Committee had approved governance objectives at its meeting on 6 June 2024 and they were included in the draft.

The Committee reviewed the amendments to the revised Equity, Diversity and Inclusion Strategy and recommended the strategy to the Board for approval.

**Resolved: The Committee recommended the Equity, Diversity and Inclusion Strategy to the Board for approval.**

## 7. People Strategy

Ms Thornton, Head of Human Resources, presented the draft People Strategy report. Ms Thornton referred members to the draft People Strategy at Appendix A and reported:

- that the draft had been developed following consultation with stakeholders;
- that the College's aspiration was to improve its position as an Employer of Choice;
- the Committee's role was detailed under the Quality and Assurance section and she valued the Committee's test and challenge of this draft;
- the draft included four themes:
  - Pay, Reward and Recognition; Employee Engagement,
  - Wellbeing and Workload;
  - Succession Planning linked to Staff Development;
  - Reporting and Monitoring.
- on inclusion of wellbeing, sustainability, Corporate Social Responsible and Equity, diversity and Inclusion.

The Committee discussed the draft strategy with Ms Thornton and management and in response to comments and queries the Committee noted:

- recruitment challenges for colleges as teachers in schools were generally paid more than teachers in FE;

- review of staff training needs;
- how the College measured whether it was an Employer of Choice.

Members suggested that:

- the report could be made more concise so that it was easier for stakeholders to follow, it was suggested that a simplified route map would be helpful;
- it was important to stress that one of the objectives of the strategy was achieving outcomes for learners as knowing they were making a difference would provide a lift to staff;
- the objectives could be crisper;
- the strategy presented a significant piece of work and whether there was too much content in the strategy and enough time to deliver all the objectives;
- it might helpful to prioritise which objectives were must and which were “nice to do”;
- a strategy tower could be helpful to decide which objectives were most important.

The staff governor commented positively on the draft, and that in particular the changes on apprenticeships would be welcomed by staff.

The Principal and Chief Executive suggested that to help ascertain if the strategy was achievable that the draft strategy could be converted into a deliverables tables.

Following discussion, the Committee agreed that it would be helpful to develop an abridged version of the strategy.

**Resolved: The Committee agreed an abridged version of the strategy should be presented to the Board.**

**Action: Ms Thornton to revise the draft in response to Committee’s feedback.**

## 8. Management Accounts

The Principal and Chief Executive referred members to the Period 9 Management Accounts report. Management reported that:

- on the Period 9, the year-end forecast for a surplus (before any pension adjustments) compared to the original budget;
- income forecast which was below the original target, although this is largely because of incorrect profiling assumptions in the original Adult Apprenticeships target;
- budget managers had worked hard to contribute to the increased surplus;
- there was still risk related to the achieving adult education budget, however this risk had reduced significantly.

Members commented positively on the surplus forecast for 2023/24 and discussed progress towards achieving the College’s income target.

The Committee noted the Period 9 Management Accounts report at Appendix A and the commentary at Appendix B. The Chair congratulated Mr Airey and his team on behalf of the Committee.

The Committee noted the link to the Department for Education's (DfE) College Financial Handbook which had been included in the report and would be effective from 1 August 2024. A member suggested that it would be helpful for the Committee have a training session on the DfE College Financial Handbook. The Principal and Chief Executive undertook to arrange and noted that this session would be of particular interest to the Audit and Risk Committee.

**Resolved: The Committee noted the Period 9 Management Accounts.**

**Action: To arrange an introductory session on the DfE College Financial Handbook.**

## **9. Performance Against Key Performance Indicators**

Mr Stott, Vice Principal – Corporate Services presented the Performance Against Key Performance Indicators (KPIs) report at Appendix A and the funding dashboards at Appendix B. He reported that the KPIs, including EBITAR, continued to improve and, based on the forecast year-end position, it was expected that the College would return to a financial health rating of Good.

The Committee discussed the report with management. In response to a question on budgeting for maintenance budgets, Mr Airey explained that there had been less maintenance spend in 2023/24 as some projects had been paid for by grant funding and were profiled as capital or revenue. It was noted that during 2023/24 the College had been renewing rather than maintaining and this had been taken into account for 2024/25 budget setting.

The Committee noted the Performance Against KPIs report.

**Resolved: The Committee noted the Performance Against Key Performance Indicators report.**

## **10. Budget 2024/25**

The Principal and Chief Executive and Mr Airey presented the draft budget for 2024/25. Management highlighted:

- the proposed surplus (before adjustments for FRS102 pension costs) which was greater than planned last year in both absolute and percentage terms,
- the full year impact of recent pay awards had been incorporated, together with an allowance for up to an additional 2% from 1 August 2024;
- the AoC would not announce its pay recommendation pending the outcome of the election. The last pay survey indicated that colleges would pay between 1-3 %. However, this was before the funding allocations for 2024/25 had been announced;
- the budget proposed 2% staff pay award, However, further savings might be identified during 2024/25;
- the target ratio of staff costs as a percentage of pay had traditionally been c. 65%. However, many colleges were now aiming for c.70%, which was in line with the College's current KPI;

- the budget also included staff pay progression costs to be back dated;
- following a deficit in 2022/23 and price increases in 2023/24, following review by the Committee and Board, catering had shown an increase in revenue during 2023/24;
- College budgeting for staff agency costs in 2024/25 for supply teachers.

The Committee discussed with management the 2% staff pay award and whether there was any possibility this could be increased. It was noted that further savings might be identified in year as a result of vacancy drift or other savings. However, some costs would increase such as exams and estates. Following discussion, the Committee agreed that the budget should include a 2% staff pay award.

The Principal and Chief Executive explained that there was no vacancy freeze at the College. However, when any vacancies were reviewed to see if alternative approaches could be taken.

The Principal and Chief Executive reported that the College had tendered for a single agency for temporary recruitment and outlined the rationale for this approach. He explained that a recommendation would come to the Board on 4 July 2024 and, due to the timings, this could not have been included on the Resources Committee agenda.

Following discussion, the Committee recommended the budget for 2024/25 to the Board for approval.

**Resolved: The Committee recommended the budget for 2024/25 to the Board for approval.**

*Mr Boydell and Mr Airey left the meeting.*

## 11. **Employment Policy Reviews**

Ms Thornton presented the report on the Employment Policy Reviews.

Ms Thornton reported that to comply with the requirements set out by Local Government Pension Scheme (LGPS) as a scheme employer, the College needed to introduce an Employer Discretions Policy. Ms Thornton referred to the draft policy at Appendix A. Ms Thornton reported that the option to take flexible retirement, either a reduction in hours or demotion, might be attractive to some employees.

A member suggested that to allow the College greater flexibility, it would be preferable not to restrict the College on the other discretions outlined in the report and instead a caveat could be added to the policy that application of any other the discretions listed required Board approval.

Ms Thornton highlighted the necessity for governance oversight to ensure the Board was aware and also that discretions might commit future College expenditure.

Following discussion, the Committee agreed to add a caveat on discretions to the policy which stated that application of any other the discretions listed required Board approval. With this amendment the Committee agreed to recommend the Employer Discretions Policy to the Board for approval.

Ms Thornton presented the report on the proposed changes to the Management of Redundancy and Restructuring Policy which were shown as track changes at Appendix B. Ms Thornton reported that:

- revisions been made in preparation for a Statutory Code of Practice on 'Dismissal and Re-engagement' which was due to come into effect from July 2024;
- a reference to the Colleges Disciplinary Procedure for the appeals procedure had been updated to ensure the accurate appendix is referenced;
- a number of cosmetic changes had been identified during the review process and changes had been made to make the policy and procedure more user friendly.

The Committee approved the changes and agreed to recommend to the Management of Redundancy and Restructuring to the Board for approval.

**Resolved: The Committee agreed to recommend to the Board:**  
**- the introduction of an LGPS Employer Discretions Policy, subject to the caveat agreed;**  
**- the revised Management of Redundancy and Restructuring Policy.**

*Mr Browne left the meeting.*

## 12. Health and Safety Policy

Mr Stott presented the report on the Health and Safety Policy. He reported:

- that management proposed to remove references to welfare from the title and the report and revert back to the title 'Health and Safety Policy' as is recognised by national practice and legislation;
- a number of minor amendments.

The Committee agreed to recommend the Health and Safety and the General Statement of Intent to the Board for approval.

**Resolved: The Committee agreed to recommend the Health and Safety and the General Statement of Intent to the Board for approval.**

## 13. Roof Survey and Tender report

Mr Stott presented the Roof Survey and Tender report. He and reported:

- that a second structural and technical survey had been completed on College roofs by Inscope Projects Consultants and referred members to the Condition of Flat Roof Areas at Preston College report at Appendix A;
- that, given the specialist nature of the work required, the recommendation was to tender for an external project manager to design and oversee the works;
- on costs for the project and a proposal that the cost of the roof project is funded from the Transformation Fund Grant.

In response to queries from members, the Committee noted:

- whilst schools were able to claim back VAT, colleges were unable to claim back VAT;

- that the estimated cost of 7% for project management fees reflected the industry standard;
- that the project manager for the survey would not be able to submit a bid for the work;
- it was anticipated that the work would be completely funded by the College's Transformation Fund grant;
- the project included a mixture of full and partial repairs. Where roofs were being replaced they would include installation which would support the College's Environmental and Sustainability strategy.

The Committee noted the Roof Survey and Tender Report at Appendix A and agreed to recommend to the Board that: a tender process was undertaken in order to appoint a Project Manager to design and create the tender for the project including project management costs, that a tender process for the replacement and refurbishment of roofs was then undertaken; the project would be funded from the Transformation Fund Grant, subject to the outcome of the tender process.

**Resolved: The Committee noted the Roof Survey and Tender Report and:**

- **agreed to recommend to the Board:**
- **that a tender process was undertaken to appoint a Project Manager to design and create the tender for the full project;**
- **that a tender process for the replacement and refurbishment of roofs was undertaken once the appointed Project Manager has designed a tender specification; and**
- **the use of funds from the Transformation Fund Grant for both the Project Management and Roof Project, subject to the outcome of the tender process.**

#### 14. **Trade Union Facilities Time Report 2023/24**

Ms Thornton presented the Trade Union Facilities Time Report 2023/24. Ms Thornton reported that recently the College had negotiated with regional officers. However, local representatives from the College had now been appointed.

The Committee noted the data contained in the statutory report and agreed to recommend to the Board approval for publication of the Trade Union Facilities Time Report 2023/24 on the government portal and College website.

**Resolved: The Committee agreed to recommend to the Board approval for publication of the Trade Union Facilities Time Report 2023/24 on the government portal and College website.**

#### 15. **Forward Work Programme**

The Clerk presented her report on the Forward Work Programme (FWP). She referred the Committee to the draft Resources Committee Forward Work Programme for 2024/25 at Appendix A and reported:



- that the Board would consider the draft External Governance Review Action Plan at its meeting on 4 July 2024 and there might be further changes to the Committee's FWP as a result;
- boards were not required by DfE to complete internal governance reviews in the year they held an external governance review. The Search and Governance Committee had agreed to recommend to the Board that the Board should concentrate on the External Governance Review Action Plan and not complete a separate Board review. However, the Committee could still have an annual Committee evaluation if it wished to. Following discussion, the Committee agreed that it would not hold a Committee evaluation of 2023/24.

**Resolved: The Committee approved the draft Resources Committee Forward Work Programme at Appendix A and noted that the Committee might need to make changes to the plan once the External Governance Review Action Plan was agreed.**

**16. Date of Next Meeting**

The Committee noted that the date of next meeting would be confirmed that the Board meeting on 4 July 2024.