

Preston College

Redacted and Abridged¹ Minutes of the Resources Committee Meeting held on Thursday 28 November 2024 at 5.30pm Zoom

Present:

Mr Jose Sedano- Martinez Acting Chair
Mr Simon Nixon Principal and Chief Executive
Mrs Janet Harrison
Ms Joanne Jones
Miss Amanda Morey

Absent:

Mr Steve Browne
Mrs Andrea Willimott

In attendance:

Mr Mark Airey Executive Director of Finance
Mrs Clare Rayner Clerk to the Board
Mr Iain Stott Vice Principal Corporate Services
Ms Gill Thornton Director of Human Resources

Apologies:

1. Welcome and Apologies

The Clerk welcomed everyone to the meeting and asked the Committee to appoint an Acting Chair.

The Committee appointed Jose Sedano- Martinez as Acting Chair. The Committee noted that apologies had been received from Mr Steve Browne and Mrs Andrea Willimott.

The Acting Chair welcomed everyone to the meeting.

2. Declarations of Interest

The Committee noted the inherent interest of staff in Item 7 – Strategy – Pay Award 2024/25.

3. Minutes of the previous meeting

The Committee agreed the Minutes of the meeting held on 3 October 2024 as a correct record.

Resolved: The Minutes of the meeting held on 3 October 2024 were approved as a correct record.

4. Matters arising

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

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

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

5. Annual Report and Financial Statements

Mr Airey, Executive Director of Finance, referred members to the Annual Report and Financial Statements at Appendix A. Mr Airey reported:

- that the College would record a surplus of almost £800k;
- for the first time since he had worked at the College the Local Government Pension Scheme (LGPS) had generated a surplus £826k;
- on a small consolidation in relation to the Preston College Education Fund;
- that performance in 2023/24 would lead to an Education and Skills Funding Agency (ESFA) “Good” Financial health;
- that the Audit and Risk Committee had reviewed the accounts at its meeting on 20 November 2024 and would recommend to the Board for approval.

The Principal and Chief Executive reported that:

- the Audit and Risk Committee had suggested some amendments to the narrative and highlighted some typographical errors which would be corrected before the report went to the Board. However, there were no substantive changes;
- the auditors could not formally approve the accounts until the ESFA reconciliation statement had been received by the College. However, based on information received to date, the College did not anticipate that any changes to the accounts would be required.

In response to questions and comments from members, the Committee noted:

- background information on the Preston College Education Fund, which was currently being used to pay for scholarship students. It was noted that the fund related to historical donations to the College. It was noted that whilst universities often benefited from alumni donations, this was not common in colleges;
- that the underlying operating surplus for the College which was c. £500k above budget.

Members reiterated congratulations to management on the excellent financial performance of the College for 2023/24.

The Committee asked management to forward thanks to the finance team for the work on the finances and the audit.

The Committee approved the financial statements for 2023/24 and agreed to recommend formal adoption by the Board at its meeting on 12 December 2024.

Resolved: The Committee approved the financial statements for 2023/24 and agreed to recommend formal adoption by the Board at its meeting on 12 December 2024.

6. **Draft Reserves Policy**

Mr Airey presented the Draft Reserves Policy. He reported:

- on the development of a Reserves Policy and the requirements of the government's College Financial Handbook;
- proposal for a prudent month end cash balance of at least £1 million and, to help manage general reserves, the inclusion of a target of at least 20% of anticipated annual revenue income;
- the intention to make the targets more challenging as the College's balance sheet improved;
- the necessity to balance the ambition to increase reserves with the ambition to offer competitive staff pay.

In response to questions and comments from members, the Committee noted:

- the balance sheet was negatively impacted by debt from historic loans which were being gradually repaid annually and should be fully repaid in six to eight years;
- that once the loans were repaid there would be a significant improvement in the College's cash position;
- management's view that a monthly cash balance of £1 million was achievable and noted the impact of capital grants on this balance.

Following discussion, the Committee asked Mr Airey to explore if there was a way to record the net cash balance position in the Management Accounts, so that the Committee could have oversight of the ongoing underlying operational balance. Management undertook to review. The Committee noted that the position was complicated as the College's had received a number of grants: reclassification, T Levels and transformation grant.

The Committee noted the report and agreed to recommend the draft Reserves Policy to the Board for approval.

Resolved: The Committee agreed to recommend the draft Reserves Policy to the Board for approval.

Action: Mr Airey to explore if there was a way to record the net cash balance position in the Management Accounts

7. **Strategy – Pay Award 2024/25**

Ms Thornton, Director of Human Resources, presented the Strategy – Pay Award 2024/25. The Principal and Chief Executive

The Committee noted that the pay award discussions remained confidential.

Resolved: The Committee agreed its recommendation to the Board.

8. **Freedom of Information Policy**

Mr Stott referred members to the Freedom of Information Policy at Appendix A. He reported that:

- the policy had been developed from the Freedom of Information Act Publication Scheme;
- the policy outlined the College's approach to the Freedom of Information Act (FOIA);
- the FOIA had been last updated in 2022 and no major changes had been made to the policy;
- going forward the policy would be reviewed by the Committee annually.

The Committee agreed to recommend Freedom of Information Policy to the Board for approval.

Resolved: The Committee agreed to recommend the Freedom of Information Policy to the Board for approval.

9. **Annual Health and Safety Annual Report**

Mr Stott presented the Annual Health and Safety Annual Report. He reported:

- that there had not been any Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable incidents during the 2023/24. He reported that sadly there had been a fatality at the College during 2023/24 which was not reportable under RIDDOR;
- the number of near miss reports had slightly declined in 2023/24.

In response to questions and comments from members, the Committee noted:

- why non College related incidents had to be recorded and reported by the College;
- that the College rented out College facilities such as pitches, gym, sports hall to commercial customers and they would have separate insurance;

- College trips were classed as College activity and would be covered by College insurance.

The Committee noted the Annual Health and Safety Annual report 2023/24.

Resolved: The Committee noted the Annual Health and Safety Annual Report 2023/24.

10. **Items to raise with the Board**

A new member commented that the Annual Report and Financial Statements report was well written and comprehensive and provided a useful overview of the College. The Committee agreed that all the reports considered at the meeting had been well written and comprehensive and agreed to highlight this to the Board.

Resolved: The Committee agreed to raise with the Board the Committee's view that the Annual Report and Financial Statements, and the other reports considered at the meeting, were well written and comprehensive.

11. **Any other business**

Mr Stott reported that awarding of the College's phone contract would need to be considered by the Board at its next meeting.

The Committee noted the verbal report.

12. **Date of Next Meeting:**

The Committee noted that the next meeting would be held on 6 February 2025.