

Preston College

**Redacted and Abridged¹ Minutes of the Resources Committee Meeting held on
Thursday 3 October 2024 at 5.30pm Zoom**

Present:

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| Mr Steve Browne | Acting Chair |
| Mr Simon Nixon | Principal and Chief Executive |
| Mr John Boydell | From Minute 5 |
| Mrs Janet Harrison | |
| Miss Amanda Morey | |

Absent:

Ms Joanne Jones
Mr Jose Sedano- Martinez

In attendance:

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| Mr Mark Airey | Executive Director of Finance (From Minute 5) |
| Mrs Clare Rayner | Clerk to the Board |
| Mr Iain Stott | Vice Principal Corporate Services |
| Ms Gill Thornton | Director of Human Resources (Until Minute 15) |

Apologies:

1. Welcome and Apologies

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

The Committee appointed Mr Steve Browne as Acting Chair.

The Acting Chair welcomed everyone to the meeting and welcomed Mrs Janet Harrison to her first meeting since her appointment to the Governing Body. The Acting Chair encouraged Mrs Harrison to ask questions during the meeting.

2. Declarations of Interest

The Committee noted the inherent interest of staff in Item 12 – The Amendment to the Pay Principles Policy.

3. Minutes of the previous meeting

The Committee agreed the Minutes of the meeting held on 13 June 2024 as a correct record.

Resolved: The Minutes of the meeting held on 13 June 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

5. **Performance against Key Performance Indicators 2023/24**

Mr Stott, Vice Principal – Corporate Services, presented the report on performance against KPIs 2023/24.

Mr Boydell joined the meeting.

The Committee noted that the College expected to get a financial rating of 'Good' by Education and Skills Funding Agency (ESFA).

Mr Airey joined the meeting.

The Committee discussed the report with management and noted:

- that an EBITDA of 6% was considered a reasonable benchmark for 'Good' financial health and the College's EBITDA, compared favourably with the benchmark;
- that whilst excellent progress had been made, it was important that the College continued to be ambitious and continued to improve on performance against KPIs with incremental improvements.

On behalf of the Committee, the Acting Chair recorded congratulations to management for the performance against KPIs for 2023/24. The Committee noted the report.

Resolved: The Committee noted the performance against the KPIs 2023/24.

6. **Draft Outturn Position and Capital Budget Outturn 2023/24**

The Acting Chair reported that, following discussions at the Board, management and the Clerk had introduced a shorter reporting style and welcomed feedback from members. Members commented positively on the reduction in the size of reports.

The Acting Chair welcomed Mr Airey to the Meeting and congratulated him on his appointment as Executive Director of Finance.

Mr Airey presented his report on the Draft Outturn Position and Capital Budget Outturn 2023/24. He reported that:

- due to further improvement the draft outturn surplus was above budget;
- almost all income streams had exceeded budget whilst the College had achieved expenditure savings on both Pay and Non Pay. This had not occurred before in the 18 years he had worked at the College;
- the College would move into the ESFA 'good' financial health category;
- in terms of capital outturn position, the total College funded budget had been invested in full and a budget breakdown and expenditure was itemised in the report.

The Committee discussed with management the benchmark ratio of staff pay as percentage of income. The Principal and Chief Executive explained that the FE Commissioner benchmark of 65% was not cited post Covid as there was recognition that colleges had significant recruitment challenges to deal with and needed to invest in staff resources. For these reasons, post Covid a percentage of staff pay as a percentage of income of 68-69% was typical in the sector.

Mr Airey added that costs related to pensions and agency costs also increased the percentage. He explained that staff costs did not always need to increase in relation to increasing student numbers as efficiencies can be identified. However, increasing numbers of students required additional support which increased costs.

The Committee noted the report.

Resolved: The Committee noted the College's draft outturn position and the capital budget outturn for 2023/24.

7. Update on Capital Expenditure Work

Mr Stott presented his report on capital expenditure work. He reported:

- the new digital suite had been completed and minor issues were being addressed;
- the digital suite had been showcased at the recent advice evening;
- the importance of delivering the Digital T Level course in 2025/26;
- the College would go out to tender in October for roof repairs;
- Starbucks had been relocated to a larger site which had been welcomed by staff and students and income had increased compared to this time last year;
- the previous Starbucks area was currently being used as a classroom but in the future would be used as social space and a drop off and collection space for Children with special educational needs and disabilities (SEND) students;
- changes in the Learning Zone and the introduction of a new Artificial Intelligence/new technologies room;
- the changing room provision for Visual and Performing Arts students had been improved;
- LED lighting had been rolled out to the College estate.

The Acting Chair commended management on the improvements to the College estate, which were the biggest improvements to the College since the iSTEM building. The Committee noted that the investment in the College was paying dividend in terms of attracting new students.

The Committee noted the report.

Resolved: The Committee noted the update on the Capital Expenditure Works.

8. College Enrolment Update

Mr Stott presented his College Enrolment Update report. He reported;

- that whilst final student numbers were still to be confirmed, overall student numbers were above target. He explained that this had caused some capacity and timetable issues which had been addressed. He reported on the increase in the number students that needed to re-sit their maths and English GCSE;
- on a change in profile of students, with more Level 1 students joining the College in 2024/25;
- an update on T Level performance.

In response to a query, management confirmed that the change in government had introduced more uncertainties regarding qualifications in the short term, however, the outcome of the government's qualification review was expected by December 2024.

Mr Stott highlighted the challenges of supporting high needs students at the College and that this was a national issue due to growing numbers. It was noted that in the past, people that were not in education, employment or training (NEET) had been supported by smaller charities and the European Social Fund which were no longer available and the Prince's Trust provision had reached capacity more quickly than in previous years. The Principal and Chief Executive reported that local colleges were working together to consider possible joint strategies for tackling NEET, which is recognised as an issue across Lancashire.

The Acting Chair requested a report on the market share position to aid the Committee in understanding if the increase in students related to growth in market share, increased 16-18 demographics or a combination of both.

The Committee noted the report.

Resolved: The Committee noted the enrolment update report.

Action: To provide a market share report.

9. Procurement Agency Contract

The Principal and Chief Executive presented his report on the Procurement Agency Contract.

The Committee noted the appendix had been omitted from the pack in error. The Committee were content to note that it was evident that a procurement process had been followed and for the report to be considered by the Board.

The Clerk apologised for the inconvenience and undertook to share the appendix on the Governors' Portal.

Resolved: The Committee noted the Tender Evaluation Report.

10. Staff Survey

Ms Gill Thornton, Director of Human Resources, presented the Staff Survey report. She reported:

- the survey results were positive, comparing well with other participating colleges, but with some areas that need further investigation;
- the survey return rate was slightly down compared to the last staff survey conducted in 2022;

- consideration was being given to outsourcing the survey to an external provider as some staff had feedback concerns about anonymity;
- the top 5 and bottom 5 scores and benchmark with other colleges;
- a relocation of a number of staff from the Main Building to the Health and Wellbeing building might have impacted on the scores;
- management would investigate the decrease in scores on communications. The Executive Team (ELT) had issued frequent communications during Covid, and although regular communications still continued through global emails, this was now every couple of weeks rather than weekly. The reduced score could be related to staff noticing a reduction or that the comments related to management communications below ELT levels;
- ensuring staff had adequate IT provision to work wherever they needed to;

The staff governor confirmed that whilst the new staff facilities in the health and wellbeing building were perfectly fine, the previous location of the main building had been nicer. However, staff recognised that the decision to relocate staff had been made to benefit students.

Management discussed with members the decline in the score on the opportunities for staff to progress at the College which had decreased in the last two surveys. The Committee noted that:

- a member of the HR team was currently researching career pathways for staff;
- that the College had a culture of staff retention with many staff in senior roles for many years which reduced the number of promotional opportunities.

Members commented positively on the staff survey and discussed with management:

- the importance of increasing the response rate for future surveys;
- whilst sometimes the changes staff wanted could not be made, there was value in recognising challenges staff faced and acknowledging concerns;
- when developing staff survey questions, it was important to ask the right questions so that the College gained well informed data.

The Committee noted the report.

Resolved: The Committee noted the report.

11. **Staff Voice**

Ms Thornton presented the Staff Voice report. She reported on the key themes which had been considered at the June 2024 round of staff voice meetings with staff highlighting interest in environmental and sustainability.

The Committee noted the report.

Resolved: The Committee noted the Staff Voice report.

12. **Amendment to the Pay Principles Policy – New Job Family Group**

Ms Thornton presented her report which outlined an amendment to the Pay Principles Policy to introduce a new Job Family Group (JFG). She explained that proposed change was in response to the Board approving the introducing the role of Executive Director at the College at its meeting on 18 September.

The Committee agreed to recommend the amendment to the Pay Principles Policy to include a new JFG.

Resolved: The Committee agreed to recommend to Board the introduction of a new JFG for the role(s) of Executive Director to the Pay Principles Policy from 1 October 2024. The JFG will be SCP 57 to SCP 61.

13. **Conflicts of Interest Policy and Procedure**

The Clerk referred members to the draft Conflicts of Interest Policy and Procedure at Appendix A and outlined the rationale for the development of the draft.

The Clerk explained that the draft had been sent to both the Search and Governance Committee and the Resources Committee for review and would be considered by the Board on 17 October 2024. The Clerk explained that the questions for the register of interest had been slightly different for staff and governors and during drafting the common questions were now consistent.

The Acting Chair welcomed the introduction of the Conflicts of Interest Policy and Procedure to codify existing practice. The Committee noted the draft Conflicts of Interest Policy and Procedure.

Resolved: The Committee reviewed the draft and no changes were suggested.

14. **Subcontracting Supply Chain Fees and Charges Policy 2024/25**

Mr Stott referred members to the Subcontracting Supply Chain Fees and Charges Policy 2024/25 and the proposed amendments which were shown as track changes at Appendix A.

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

Resolved: The Committee reviewed the proposed amendments to the Subcontracting Supply Chain Fees and Charges Policy for 2024/25 and agreed to recommend it to the Board for approval.

Ms Thornton left the meeting.

15. **Data Protection Policy**

Mr Stott referred members to the Data Protection Policy and the proposed amendments which were shown as track changes at Appendix A. Mr Stott explained that most of the

changes related to the change from the General Data Protection Regulation to the Data Protection Act.

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

Resolved: The Committee reviewed the proposed changes to the Data Protection Policy and agreed to recommend it to the Board for approval.

16. **Updated Forward Work Programme**

The Clerk referred members to the updated forward work programme which was available separately on the Governors' Portal. She reported that the dates had been added to the programme and some items had been moved from the October to the November Resources Committee. The Committee noted the report.

Resolved: The Committee noted the updated Resources Committee Forward Work Programme.

17. **Annual Review of Committee Terms of Reference**

The Clerk referred members to the proposed changes to the Committee's terms of reference and were shown as track changes at Appendix A. She explained that the changes were either cosmetic changes or updates to reflect current practice.

The Clerk referred members to paragraph 30 which related to the Committee's role in monitoring the College's adherence to and performance against its HR policies (and procedures for Whistleblowing, Disciplinary and Grievance) and strategies. The Clerk reminded members that during the last review of the Resources Committee Terms of Reference, the Committee had asked the Clerk to consult with the external governance reviewers on the Committee's role in policy and strategy review.

She reported that she had queried this with the external reviewer who had agreed that going into too much detail would be operational. Members discussed how this Committee function could be implemented without becoming overly operational. Members suggested perhaps some data on usage would be useful. However, it was noted that some staff might review a policy without reference to management.

In response to queries, the Clerk advised:

- that the current approach of the Director of Human Resources i.e providing summary information on policy use as each policy was reviewed, provided the Committee with a helpful overview;
- that all whistleblowing disclosures should be made to the Clerk and the Board received an annual report.

The Committee agreed with the proposed changes to the Resources Committee terms of reference and noted that the Search and Governance Committee would review all the proposed changes at its next meeting and make a recommendation to the Board.

Resolved: The Committee reviewed the revised Resources Committee Terms of Reference.

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

The Committee agreed to raise with the Board the excellent financial performance of the College during 2023/24 which provided the basis for further progress in 2024/25.

Resolved: The Committee agreed to raise with the Board the excellent financial performance of the College during 2023/24 which provided the basis further progress in 2024/25.

19. **Any other business**

The Acting Chair noted that this would be Mr Boydell's final Resources Committee meeting and thanked Mr Boydell for his valued contribution to the Committee's work and in particular his contribution to the College's culture.

Mr Boydell thanked the Acting Chair for his comments.

20. **Date of Next Meeting:**

The Committee noted that the next meeting would be held on 28 November 2024.