

Preston College

Redacted and Abridged¹ Minutes of the Resources Committee Meeting held on Thursday 6 February 2025 at 5.30pm, Boardroom

Present:

Ms Joanne Jones	Chair
Mr Simon Nixon	Principal and Chief Executive
Mr Steve Browne	
Mrs Janet Harrison	Remote (Zoom)
Miss Amanda Morey	
Mr Jose Sedano - Martinez	Remote (Zoom)
Mrs Andrea Willimott	

In attendance:

Mr Mark Airey	Executive Director of Finance
Mr Steven Eaves	Senior Procurement Officer (Until Minute 4)
Mrs Clare Rayner	Director of Governance
Mr Iain Stott	Vice Principal Corporate Services
Ms Gill Thornton	Director of Human Resources

Apologies:

1. Welcome and Apologies

The Chair welcomed everyone to the meeting.

The Chair welcomed;

- Mrs Andrea Willimott to her first Resources Committee meeting;
- Mr Steven Eaves, Senior Procurement Officer, to the meeting for Items 3 and 4.

2. Declarations of Interest

No declarations of interest were made.

3. Financial Regulations

Mr Mark Airey, Executive Director of Finance, presented the updated Financial Regulations following the most recent review. He referred to the proposed changes which were shown in track changes at Appendix A. He reported that changes had been made:

- to reflect changes in job titles and the removal of the Vice Principal Finance role;
- due to the introduction of the Procurement Act 2023 which would be brought into effect on 25 February 2025 and the introduction of a separate Procurement Policy;
- on proposed changes to the threshold amounts due to inflation as these amounts had not been increased since 2012;
- to proposed changes to the circumstances that the regulations could be waived;

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

- that the governor expenses policy had been appended to the Financial Regulations.

The Committee reviewed the proposed changes to the Financial Regulations and agreed to recommend to the Board for approval.

Resolved: The Committee agreed to recommend the proposed changes to the Financial Regulations to the Board for approval.

4. **Procurement Policy**

Mr Airey and Mr Eaves referred members to the draft Procurement Policy at Appendix A. He reported:

- that previously the Financial Regulations included detailed information on procurement. However, since the development of a Procurement Strategy, a standalone Procurement Policy had been drafted;
- that development of the policy provided an opportunity to update College guidance to ensure it included latest best practice;
- on the College's use of bespoke FE purchasing consortiums for procurement;
- that the draft included details of new procurement legislation (Procurement Act 2023) which would be brought into effect on 24 February 2025, alongside details on procurement planning and the steps to follow when tenders have to be used.

In response to a query, Mr Eaves confirmed that the UK had used World Trade Agreement procurement guidance since leaving the European Union and EU procurement guidance was based on World Trade Agreement guidance.

A member gave positive comments on the policy.

Mr Eaves offered to deliver training to governors on the new procurement information which was welcomed by the Committee.

The Chair thanked Mr Eaves for his contribution to the meeting and his work on the draft Procurement Policy.

The Committee reviewed the draft Procurement Policy and agreed to recommend it to the Board for approval.

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

Mr Eaves left the meeting.

5. **Anti-Fraud, Bribery and Corruption Policy**

Mr Airey presented the Anti-Fraud, Bribery and Corruption Policy. He referred to the proposed changes which were shown in track changes at Appendix A. He reported:

- that the College's Anti-Fraud, Bribery and Corruption Policy needed to be refreshed to reflect the return of FE to the public sector and the additional guidance surrounding 'Managing Public Money;'

- that the policy now referred to the Fraud Act 2006 along with the Bribery Act 2010.

The Committee reviewed the updated Anti-Fraud, Bribery and Corruption Policy at Appendix A and agreed to recommend it to Board for approval.

Resolved: The Committee agreed to recommend the Anti-Fraud, Bribery and Corruption Policy to the Board for approval.

6. Management Accounts

Mr Airey presented the Period 5 Management Accounts. He reported:

- that the accounts now included an enhanced cashflow chart with the net cash value excluding capital grants paid in advance along with the average daily cash balance which is a target (£1.5m) within the Reserves Policy;
- on performance across all three income streams: 16-18, adult and apprenticeships;
- that Adult Skills provision was performing above the planned profile, and the College was confident that the full budget/allocation could be exceeded. The Education and Skills Funding Agency (ESFA) would fund up to 10% above the allocation, c£600k. The College had set as an aspirational target to achieve up to 10%, but for these accounts had taken a prudent approach and only increased the forecast by 5%;
- that apprenticeships were performing well;
- that the accounts reflected the additional pay award and the additional agency costs, particularly for construction and that the additional costs had been mitigated in part by vacancy drift;
- on increased exam costs which was a combination of increased student numbers and increased examining bodies fees;
- on a plan for a higher proportion of College maintenance costs to be paid from College budget rather than grant funding;
- the budget surplus the College expected to achieve.

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

- the impact on large increases in examination bodies costs alongside the increased number of students. It was noted that the sector was currently lobbying the government on this issue;
- that end point assessments were also a significant costs for the College;
- the rationale for the reallocation of maintenance costs from capital transformation funding to College budget after the Board had already approved the budget and whether this was a Board decision or a management decision. It was noted that using College funds allowed the transformation funds to be spent on other

projects. Following discussion with the Committee, management confirmed that a report will be drafted for the Board to consider options in relation to the strategy for the management of transformation funds and surplus which will include: an additional pay award, College repair and maintenance, and/or purchase of additional equipment. The Committee noted that by this date the College might have confirmation on additional government funding and in year growth funding;

- that the forecast had been designed based on the assumptions that College funds would be used to pay for maintenance costs but the budget had not changed.

The Committee noted the report.

Resolved: The Committee noted the period 5 financial position.

Action: Management to draft a report on options for changes to College budget and management of College surplus.

7. Fees Policy

Mr Iain Stott, Vice Principal Corporate Services, presented the updated Fees Policy for 2025/26. He reported the Department for Education (DfE) had yet to publish the guidance for the Adults Skills Fund (ASF) for 2025/26 and the Fees Policy may need to be revised, if the guidance relating to fees and charges changes.

A member commented that the College currently did not publish fees for courses online. He acknowledged that he had raised this matter before and understood the College's rationale for not doing so as funding was available for many courses. However, in the interests of transparency he was of the view that the College should consider this, particularly for self-funded courses. Management undertook to review.

The Committee reviewed the Fees Policy 2025/26 and agreed to recommend to the Board for approval.

Resolved: The Committee reviewed the Fees Policy 2025/26 and agreed to recommend it to the Board for approval.

Action: Management to review the College's approach to publication of course fees.

8. Minutes of Previous Meeting 28 November 2024

The Committee agreed the Minutes of the meeting held on 28 November 2024 as a correct record.

Resolved: The Minutes of the meeting held on 28 November 2024 were approved as a correct record.

9. Matters Arising

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

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

10. **Review of Progress of Environmental and Sustainability Strategy**

Mr Stott presented the Review of progress within the Environmental and Sustainability Strategy reported. He referred members to the Decarbonisation Plan update at Appendix A, the Streamlined Energy & Carbon Report (SECR) 2024 at Appendix B and the Greenhouse Gas Report (GHGR) 2023/24 at Appendix C and reported:

- that the GHGR showed that the College's overall emissions had increased by 1% in 2023/24 compared to 2022/23 and that the drivers for this were likely increased heating and increased student numbers. It was noted that whilst there had still been some Covid restrictions in place in 2022/23, most College buildings had still needed to be heated;
- that the College would work with a carbon mentor funded by the College's bank for 12 months;
- that new technologies would be considered as part of the Decarbonisation Action Plan and the College was currently working on bids for funding;
- that a recent internal audit report on the College's strategy, action plan and procedures and processes had concluded the College was 'strong.'

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

- that there was no obligation to continue with the carbon mentor after 12 months and bank offered this support for a year as part of its sustainability agenda;
- an acknowledgement that the College's emissions had increased and the likely reasons for the increase. Members welcomed the College collating the data to enable the College to monitor its emissions and set targets;
- that repairs to the roofs would improve insulation which should decrease emissions;
- that the College would set up a steering group to ensure participation across all areas of College;
- on the introduction of heat pumps were one of a number of options for reducing on emissions;
- that as heating was the biggest issue, reduction in the College's electricity use would not reduce emissions sufficiently;
- that following a request from a member of the Committee to join the steering group, it was agreed that this would be reviewed as part of a review of the governors' participation in College life.

The Committee noted the report.

Resolved: The Committee discussed and noted progress on the Environmental and Sustainability Strategy.

Action: To review whether a member of the Committee should join the steering group as part of a review of governors' participation in College life.

11. **Workforce Profile Data Report 2023/24**

Ms Thornton, Director of HR, presented the Workforce Profile Data Report 2023/24. Ms Thornton reported:

- that the report was framed around the nine protected characteristics of the Equality Act;
- that whilst there were no significant issues there were some areas for further ambition;
- that number of staff had increased and some of these staff were funded externally;
- that staff retention was 80%;
- on long term sick leave related to depression, anxiety and cancer;
- that there was no significant change in the College's ethnicity profile;
- on salary levels by ethnicity;
- that the College had more female staff than the FE sector average and possible reasons for this;
- that business support staff consisted of all staff that were not teaching staff or management and that some student support staff were business support;
- on the number of staff reporting as having a disability;
- that the age profile of the College was as expected as many joined FE as a second career;
- that the age profile would increase as the national retirement age increased;
- that further to discussions at the College's Equality, Diversity and Inclusion Group, the College was exploring why some students selected Prefer 'Not to Say' for some categories and the possible reasons for this;
- the Equality, Diversity and Inclusion group had also requested that data on paternity leave was included in future reports.

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

- the low uptake of the offer of a free flu jab by staff and the reasons for this, including that due to availability of vaccines, appointments for jabs were often cancelled and that some staff were eligible for a free flu jab with their own doctor.

Following discussion, Management undertook to explore the possibility of offering staff free vaccines on campus as this might remove some barriers and increase uptake. However, it was noted that in the past it had not been possible to arrange this. It was noted that the College had explored offering Covid vaccinations but the cost had been prohibitive;

- that Equality, Diversity and Inclusion data was collected on appointment and staff were asked to review this annually. She explained that the College would explore the reasons why staff might state “prefer not to say” and benchmark this with other colleges (peer);
- the government was exploring the introduction of ethnicity pay gap reporting.

Following discussion, Ms Thornton undertook to include the number/percentage of staff posts vacant for the year alongside annual staffing and turnover tables. The Committee noted that the figures would need to be reviewed with caution as sometimes there could be more than one person in a post. E.g. maternity leave.

The Committee noted the report.

Resolved: The Committee noted the Workforce Profile Data Report 2023/24 report.

Actions: Ms Thornton to:

- **include the number/percentage of staff posts vacant for the year alongside annual staffing and turnover tables;**
- **explore on site flu vaccinations.**

12. Gender Pay Gap Report

Ms Thornton presented the Gender Pay Gap Report. Ms Thornton reported:

- that the College’s gender pay gap for 2023/24 was 7.10% an increase of 2.05 percentage point from 5.05% compared to the previous year;
- drivers for the increase including: there were more males in the higher earning pay brackets, new recruits in construction and engineering were all male and these were traditional male sectors, all three recipients of the Retention and Motivation salary points had been male and female staff were more likely to work part time or term time or both and actual salaries were used for the pay gap report rather than full term equivalent salaries;
- that the College always appointed the candidates who was the considered the best person for the job.

Members discussed the report with management and noted that organisations must publish their gender pay gap reports on the government’s website and the College’s website. In response to a query, Ms Thornton confirmed that there had not been any external enquiries about the report. However, external bodies such as European Convention on Human Rights, could challenge organisations on their gender pay gaps.

Following discussion, management undertook to:

- explore if males were applying for roles which had been traditionally held by female and were unsuccessful or were not applying at all;
- include actual pay costs in future Board reporting as this information could be valuable when the Board considered the pay strategy.

The Committee noted the report and the proposed actions arising from the Gender Pay Gap data contained within the Continuous Improvement Action Plan.

The Committee agreed to recommend to Board for approval the Gender Pay Gap Report 2024 contained as Appendix A for publication within the legislative timeframe.

Resolved: The Committee agreed to recommend to Board for approval the Gender Pay Gap Report 2024 contained as Appendix A for publication within the legislative timeframe; and noted the proposed actions arising from the Gender Pay Gap data contained within the Continuous Improvement Action Plan.

Actions: Ms Thornton to:

- **explore if males were applying for roles which had been traditionally held by females and were unsuccessful or were not applying at all;**
- **include actual pay costs in future Board reporting as this information could be valuable when the Board considered the pay strategy.**

13. **Any other Business**

The Director of Governance reported that:

- the Search and Governance Committee had held two rounds of interviews in January and would recommend to the Board the appointment of five candidates. She reported that the College had received funding from the DfE on the proviso that one of the candidates was appointed as Chair of the Resources Committee and one was appointed to the Audit and Risk Committee;
- Ms Jones had volunteered to serve on the Board until July 2025 to support a handover to the new Chair of the Resources Committee;
- this would be Mr Browne's last meeting of the Resources Committee ahead of his retirement from the Board in March 2025. She recorded thanks to Mr Browne for his support and contribution to the College and to her.

The Chair recorded thanks to Mr Browne for his contribution to the Committee and the College and that during his period as a governor he had demonstrated how to challenge and how a board should operate.

The Principal and Chief Executive recorded thanks to Mr Browne for his support for the College and the Executive Leadership Team and his approach to supportive challenge at meetings which was valued by the College.

Ms Thornton recorded her thanks to Mr Browne, particularly for his test and challenge of HR College policy and procedures.

Mr Browne thanked everyone for their best wishes and that it had been a privilege to serve as a governor at the College for 12 years. He commented that his intent at

meetings was to improve the College and his questions and challenges had always been received with great spirit and heart and he would miss working with everyone.

The Chair recorded thanks and best wishes to Mr Browne on behalf of the Committee.

14. **Date of Next Meeting:**

The Committee noted that the next meeting would be held on 1 May 2025.