

Preston College

Redacted and Abridged¹ Minutes of the Resources Committee Meeting held on Thursday 12 June 2025 at 5.30pm, Boardroom, Preston College

Present:

Mr Neil Garnham	Chair
Mr Simon Nixon	Principal and Chief Executive
Mr David Bond	
Mrs Janet Harrison	
Mrs Tamsyn Haselden	
Miss Amanda Morey	
Mr Jose Sedano-Martinez	
Mrs Andrea Willimott	

In attendance:

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

Apologies:

Ms Giulia D'Ambrosio
Ms Jo Jones

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and reported that apologies had been received from Ms Giulia D'Ambrosio and Ms Joanne Jones.

It was noted that a quorum was present.

2. Declarations of Interest

No declarations of interest were made.

3. Minutes of Previous Meeting 1 May 2025

The Committee agreed the Minutes of the meeting held on 1 May 2025 (Part 1 and 2) as a correct record.

Resolved: The Minutes of the meeting held on 1 May 2025 (Part 1 and 2) were approved and signed as a correct record.

4. Matters Arising

The Committee noted the report on the progress of actions from previous meetings. The Chair reported that he had discussed the actions log with the Director of Governance prior to the meeting and requested that a target completion date was added to the report.

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.

Action: The Director of Governance to add a target completion date to the report.

5. Forward Work Programme

The Director of Governance presented her report on the Forward Work Programme. She referred the Committee to the draft Resources Committee Forward Work Programme for 2025/26 at Appendix A and explained the rationale for a proposal to reduce the number of meetings from five to four.

Following a query, Mr Mark Airey, Executive Director of Finance, explained that the 3 year financial plan was considered at the Board rather than the June Resources Committee as it was dependent on the template and associated guidance from the Department of Education (DfE) which was not usually available until after the Resource Committee's meeting.

Following discussion, the Committee agreed that for completeness the 3 year financial plan should be added to the Resources forward work programme for June in order to ensure that if there were occasions when the information was received from DfE in time, the Committee could consider before the Board's July meeting.

Subject to this amendment, the Committee approved the draft Resources Committee Forward Work Programme.

Resolved: The Committee approved the draft Resources Committee Forward Work Programme at Appendix A.

Action: To add review of 3 year financial plan to the Resources forward work programme for June.

6. Management Accounts

Mr Airey presented the Period 9 Management Accounts. He reported that:

- following a request at the previous meeting, the cashflow graph now included: budgeted cashflow; the average underlying daily cash balance excluding capital grants and the accounts also included bank covenant calculations;
- the three major incomes streams of 16-18, adult and apprenticeships were all performing above target;
- the forecasted surplus against a budgeted surplus;
- Adult Skills provision was performing above the planned profile and the College was confident that the full budget/allocation could be exceeded. The DfE would fund up to 10% above the allocation,;
- the only downside in Period 9 was that the Free Courses for Jobs funding was under performing and was set to be under target by £150k by year-end;
- Local Government Pension scheme contributions and the April staff pay award of 2.5% had impacted on staffing costs;

- the updated forecast included the impact of the increase in employer National Insurance Contribution's (NICs) from the 1 April 2025. The College had received DfE funding to help support the NIC increase which amounted to £141k for the period 1 April to 31 July 25, and was included within the Other Funding Agency Income forecast;
- the non pay forecast had increased to take account of recent changes, the main one being the purchase of new furniture, made affordable by the increase in the income.

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

- the eligibility threshold for Free Courses for Jobs, remained at £25,000 gross earnings since the introduction of this funding stream, which reduced the number of eligible learners year on year as salaries increase. The neighbouring Combined Authorities have increased their thresholds to between £32,000 to £35,000, but the DfE have kept the threshold static;
- that there was low risk regarding underspend on staff costs and that management had met with Directors to discuss staff vacancies, the forecast was increasing and management had taken a prudent approach to forecasting;
- that as income was growing, the College had been able to bring forward planned College refurbishments;
- the College had received a £1.6 million condition grant from the DfE which meant the year end cash balance would be higher;
- the College did not operate triple bottom line reporting as the return to the DfE focused on the College's finances and year end result. However, the College was progressing its Environment and Sustainability Strategy and People Strategy. The Committee also noted that the College would also like to introduce an annual report which included wider information than the financial performance. The Committee welcomed this approach;
- a suggestion that the Companies Act 2006 - S172 statement could provide a useful framework for reporting to stakeholders.

The Chair requested the budget excluding capital grants be included within the cashflow graph in future reports.

The Committee noted the Period 9 Management Accounts, cashflow graph at Appendix A and the commentary at Appendix B and recorded congratulations to management on the performance of the College up to Period 9.

Resolved: The Committee noted the Period 9 financial position.

Action: Mr Airey to add the budget excluding capital grant as a line within the cashflow for future management accounts.

7. Budget Proposal 2025/26

Mr Airey presented the Budget Overview 2025/26. Mr Airey reported that:

- the budget had been prepared using a “bottom up” approach with curriculum plans developed and resourced;
- the proposed surplus before adjustments for FRS102 pension costs was greater than planned last year in both absolute and percentage terms,
- the full year impact of recent pay awards, changes to pension and NICs had been incorporated, together with an allowance for up to an additional 4% pay award from 1 August 2025. The 4% pay award was in line with government announcements relating to school teacher pay awards;
- colleges would receive additional DfE funding through the 16-18 funding formula to support for cost pressures including recruitment and retention of staff; This additional funding was assumed to be £354k for the purposes of the budget exercise, although formal notification was not expected until the end of June 2025 which was after the Board pack would be issued;
- the overall increased budget compared to 2024/25 reflected the positive progress made by the College in recent years to grow 16-18 student numbers, with additional lagged funding secured through over performance against contract in 2024/25;
- the College had over-delivered in 2023/24 academic year, resulting in the Adult Skills Fund contract increasing for 2025/26 as this was the baseline activity used prior to applying a sector wide percentage reduction. This gave the College a better outcome than most others delivering Adult Skills Fund contracts;
- Funding Agency budgets were based on awarded contracts for 2025/26, with the exception of apprenticeship targets, which were paid on the basis of actual activity;
- College targets for apprenticeship and HE income were based on robust curriculum plans, informed by a cautious assessment of market data;
- a detailed validation process was used at the budgeting stage;
- very few external grants or funds were anticipated for 2025/26 other than an UKSPF grant in relation to green skills;
- budget income was based on performance in year and a significant increase in budget and forecast, an increase in 16-18 student numbers and staff pay awards;
- the budget was based on a staff ratio of 71.5% and that the staff pay award had increased this percentage;
- the budget included a staff pay award of up to 4% based on funding and how this compared to the previous request from unions;;
- available general capital resources, not including any specific grant funded projects, had based on supporting essential items whilst protecting cash balances. This was an increase in recent years due to the historic low level of surpluses achieved and to achieve Good financial health;
- the College would like to increase the capital budget, assuming this did not jeopardise the College’s financial health position, as this would allow the College to complete its computer replacement plans and ensure that Windows 11 was fully implemented by the deadline of January 2026,

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

- discussed with management the balance between maintaining the DfE financial health criteria and investing in the College; particularly as the College was not far away from the DfE criteria for outstanding financial health;
- discussed with management the difference between good and outstanding DfE grading and if there were any benefits to a DfE grading of outstanding. Mr Airey indicated that there could be a slight reduction in interest rates of bank covenants but he would need to check;
- noted that the College's catering provision remained unsubsidised and continued to perform well with the relocation of the College's Starbucks increasing sales;
- noted positive comments from students visiting from other colleges on the College's catering provision;
- that the Further Education Commissioner (FEC) had recently published correspondence on new financial benchmarks and that:
 - cash days had increased from 25 days to 40 days;
 - the introduction of a ratio EBITDA as % of Adjusted Income > 6% which was an aspirational target which currently a third of colleges were forecast to achieve in 2024/25;
 - pay as a percentage of income benchmark remained at 65%;
 - this correspondence would be added to the Governors' Portal.

The Principal and Chief Executive reported that the College expected to receive an additional £400k from the DfE for 2025/26 due to a late change in funding rates and this had not been included in the budget as the College's allocation had not been confirmed by the DfE. He reported that the amendments had likely been made to support colleges to cope with cost pressures, including the recruitment and retention of staff. If possible, an adjustment would be made before the budget was considered by the Board.

The Committee noted that the Committee and the Board would be asked to consider recommendations on how the surplus was spent i.e. increase staff pay, non pay investment or a combination.

The Committee discussed with management:

- that further consideration should be given to the benefits of moving from a grading of good to outstanding financial health, including impact on the College's reputation and whether improved examination results and outcomes and Ofsted gradings were more beneficial to the College's reputation;
- that spending some of the surplus to improve the education of students could further increase student recruitment;
- the College's journey to an Ofsted outstanding grading;
- consideration of the Board approving a contingency amount;
- the College's additional income was mainly from the Sports Centre but this income could not be further increased without significant investment;

- agreed that the draft budget indicated that the College is in a good position moving into 2025/26.

Following discussion, the Committee agreed:

- it was supportive of increasing the current capital budget proposal as proposed , subject to maintaining an DfE grading of Good financial health;
- that proposals should be developed over the summer for consideration by the Committee and the Board in the autumn term.

The Chair requested that a cash flow forecast to allow the Committee to analyse risks and opportunities and assess how sensitive the budget assumptions.

The Committee agreed to recommend to the Board the Budget Proposal 2025/26, subject to the inclusion of a cash flow forecast.

Resolved: The Committee agreed to:

- **recommend to the Board the Budget Proposal 2025/26 subject to the inclusion of a cash flow forecast;**
- **support the College to increase the current capital as proposed, subject to maintaining a Good Financial Health.**

Action: Mr Airey to develop a cash flow forecast.

8. Condition Grant Projects Proposal

Mr Iain Stott, Vice Principal Corporate Services, presented the Condition Grant Projects Proposal. He reported that the:

- College had been awarded a DfE condition grant of £1,597,841 and clarification that the College had up until 31 March 2028 to spend the grant;
- grant allowed the College to progress projects identified in the College's Estates Strategy;
- College should determine projects depending on different time scales for spending grants.

Mr Airey explained that as the College had one Procurement Officer, the grant could not be spent within one year and that plans were in place to complete projects which had already been identified such as lift repair and cladding of the Health and Wellbeing building. It was noted that quotes would be requested and the Committee would be updated on progress.

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

- whilst no urgent health hazards had been identified, some lifts had become unreliable and needed to be repaired;
- that most of the projects outlined in the report would be recognised as necessary by staff and students and in particular lift repair, improvements to toilets and improvements to the Health and Wellbeing building. However, projects such as fire compartmentalisation were also required but would not be noticeable to staff and students;

- that whilst staff and students were not formally consulted on the plans, the management team's recommendations were informed by feedback from Staff Voice and Student Voice meetings;
- the prioritisation of the projects was based on condition of buildings and impact and staff and students;
- the possibility that if quotes were higher than anticipated all the projects listed could not be completed;
- when developing the programme of activity, there was a timing element to consider, for example, some projects would need be completed when the College was closed or outside of term time and would take longer due to the required procurement arrangements;
- relevant tenders would go to the Board or Chair of the Governing Body for approval as required by the Financial Regulations;
- the grant provided an opportunity for the College to complete projects it could not normally afford;
- that the Committee and the Board received an annual report on capital and that in response to a suggestion, the Committee could receive a capital plan update report at future meetings and the report to include all capital projects and to show the source of funding for each (i.e. Capital grant, or college funds).

Following discussion, the Committee noted the Condition Grant Projects Proposal report and agreed to recommend to the Board for approval, subject to assurance that significant delays in project implemented were reported to the Committee.

Resolved: The Committee reviewed the Condition Grant Projects Proposal report and agreed to recommend to the Board for approval, subject to assurance that significant delays in project implemented were reported to the Committee.

Action: To introduce a regular capital update report to include all capital projects and to show the source of funding for each (i.e. Capital grant, or college funds).

9. Health and Safety Policy Review

Mr Stott referred members to his report on the review of the Health and Safety Policy. He reported that the majority of the proposed changes to the Health and Safety Policy were cosmetic and there had not been a lot of changes in legislation since the Committee's last review.

Following discussion, the Committee requested that the references to "the Corporation" in the policy were reviewed and reference to the Board's role in monitoring proposed changes to the policy was added.

Subject to the amendments Committee agreed to recommend the Health and Safety Policy, including the General Statement of Intent, to the Board for approval.

Resolved: Subject to the amendments, the Committee agreed to recommend the Health and Safety Policy, including the General Statement of Intent; to the Board for approval.

Action: Mr Stott to update the policy as requested.

10. Digital Strategy

Mr Stott referred members to the Digital Strategy. Mr Stott reported:

- all areas of the College had provided input as the strategy was developed;
- that the Strategy was informed by key documents including: the Jisc Further Education and Skills Strategy, the UK Government's National Artificial Intelligence (AI) Strategy, and relevant government publications on generative AI in education and digital development;
- the importance of developing AI for teachers and students.

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

- that the strategy was not about systems but was about changing the mindset and culture of the College in relation to AI;
- teaching AI skills was in the curriculum strategy;
- that currently AI could be used for reviewing assignments but not for assessment.

Following discussion, Mr Stott undertook to insert an explicit reference to the development of AI in the College curriculum.

The Committee reviewed the draft Digital Strategy and, subject to the amendment agreed, recommend the strategy to the Board for approval.

Resolved: Subject to the amendment agreed, the Committee re agreed to recommend to the Digital Strategy to the Board for approval.

Action: Mr Stott to revise the strategy as agreed.

11. Review of Progress against Equity, Diversity and Inclusion Strategy

The Principal and Chief Executive referred members to the report on the Review of Progress Review of progress against Equity, Diversity and Inclusion Strategy. He reported:

- that colleges had been invited to sign the Association of College's Equity, Diversity and Inclusion Charter, which was at Appendix A;
- the College had developed a draft Equity, Diversity and Inclusion pledge which was at Appendix B;
- the importance of colleges making public commitments in relation to equality, equity, diversity and inclusion;
- the College's Equality, Diversity and Inclusion Annual report 2023/24 was at Appendix C and the various components of the report had been reviewed by the Board's committees.

The Committee reviewed the report and agreed to recommend to the Board that the introduction of a College Equity, Diversity and Inclusion pledge and that the College's signs the Association of Colleges Equity, Diversity and Inclusion Charter.

In response to a query, the Director of Governance confirmed that when governor vacancies were shared on LinkedIn or other social media, governors were welcome to share these posts with their contacts and social media networks.

Resolved: The Committee:

- **agreed to recommend to the Board the introduction of a College Equity, Diversity and Inclusion pledge;**
- **agreed to recommend to the Board that the College's signs the Association of Colleges Equity, Diversity and Inclusion Charter;**
- **noted the College's Equality, Diversity and Inclusion Annual Report 2023/24.**

12. Trade Union Facilities Report

Ms Gill Thornton, Director of Human Resources, reported that she had not received the data required in time for the Trade Union Facilities Report to be considered by the Committee at this meeting. The Committee noted that the Chair had agreed that because the report needed to be published by 31 July 2025, the report could be considered by written resolution.

Resolved: The Committee noted that the Trade Union Facilities Report would be considered by written resolution.

13. Employment Policy Review

Ms Thornton, presented her Employment Policy Review report.

a) Job Share Policy

Ms Thornton reported on proposed changes to the Job Share Policy. She reported:

- that consideration had been given to whether the Job Share Policy had been superseded by the Flexible Working regulations and it had been determined that Job Share still had a place as a recruitment option available to management;
- that proposed changes included:
 - a change made to paragraph 3.3 to remove the 26-week service qualification requirement for an employee to request a job share, in line with the recently introduced day one rights for employees to request flexible working;
 - changes had also been made to section 4 on Equality and Diversity to bring it in line with the wording of other recently reviewed employment policies;
 - other proposed cosmetic changes.

- that the policy was rarely used as the College's flexible working policies had to a certain degree superseded it. The number of part time workers made up a large proportion of the workforce;
- that the associated Job Share Procedure was at Appendix D for information.

The Committee agreed to recommend to the Board the proposed changes to the Job Share Policy.

b) Management of Attendance Policy

Ms Thornton reported on proposed changes to the Management of Attendance Policy.

Ms Thornton reported:

- that proposed changes included:
 - a sentence had been added to the opening paragraph to show a balance that whilst it was recognised that staff sickness absences may have a detrimental impact on the College, it was also recognised that sickness absence was natural and would occur and managers would be supportive of staff;
 - that more detail had been added to paragraph 5.5 to highlight that phased returns to work could vary from employee to employee, depending on the nature of the health condition; and that phased returns to work should be agreed with the employee;
 - changes had also been made to section 4 on Equality and Diversity to bring it in line with the wording of other recently reviewed employment policies;
 - other proposed cosmetic changes;
- that the policy was used frequently to manage short term and long term sickness;
- that the associated Management of Attendance Procedure was at Appendix E for information.

The Committee agreed to recommend to the Board the proposed changes to the Management of Attendance Policy.

c) Whistleblowing: Policy & Procedure for Speaking Out

Ms Thornton reported on proposed changes to the Whistleblowing: Policy & Procedure for Speaking Out. Ms Thornton reported:

- two new opening sentences have been added to make the document more engaging to people contemplating speaking out on an issue;
- further clarity had been added to paragraph 1.7 highlighting that disclosures made under this policy and procedure must be in the public interest;

- a definition has been added in a new paragraph 3.3 to illustrate the difference between a whistleblowing disclosure and an employee grievance;
- clarification had been added to paragraph 4.4 to show that disciplinary action may be taken against an individual where they are an employee of the College.
- a new paragraph had been inserted as paragraph 7.4 containing contact details of an external organisation that can provide advice to someone considering making a whistleblowing disclosure;
- other proposed cosmetic changes.

The Director of Governance reported that:

- she had attended an Eversheds webinar that day and advice had been given that a definition of harassment and sexual misconduct should be included in relevant policies and that she would seek advice on whether this definition should be included in the College's Whistleblowing: Policy and Procedure for Speaking Out;
- references to the Audit Committee in the policy would be corrected;

In response to queries, the Director of Governance reported:

- that she reported annually to the Board on any whistleblowing disclosures;
- that since she had worked at the College she had been contacted by people on a small number of occasions but these issues had not been considered to fit the definition of whistleblowing;
- on stakeholder awareness of the College's whistleblowing policy.

Following discussion, the Committee agreed to recommend to the Board the proposed changes to the Whistleblowing Policy and Procedure for Speaking Out to the Board for approval.

Resolved: The Committee agreed to recommend the following policies to the Board for approval:

- **Job Share Policy (Appendix A);**
- **Management of Attendance Policy (Appendix B); and**
- **Whistleblowing Policy and Procedure for Speaking Out (Appendix C).**

14. Draft Workload Strategy

Ms Thornton presented the Draft Workload Strategy. She referred members to draft Workload Strategy – Appendix A, the Academic Workload Guidance Appendix One at Appendix B and the Lesson Cover Framework Appendix Two at Appendix C. Ms Thornton reported:

- that a draft Workforce Profile report had been developed in light of negotiations with unions and one of the objectives in the College's People Strategy;
- that younger generations had a different approach to work life balance;

- on the importance of ensuring consistency across the College in relation to workload management;
- on impact on students;
- on her pride in the College's development of the strategy as it would lead the way in the FE sector.

The Committee discussed the draft Workload Strategy with management. In response to questions and comments from members, the Committee:

- noted further background information on rationale for the development of the strategy;
- noted that the College had gone further than other colleges in the development of the strategy;
- queried potential for the impact on College operations e.g. the restriction on the number of nights employees could work per year and the impact of this on the current College governance meeting calendar;
- queried whether the strategy presented any risks. It was noted that the strategy indicated a culture change which would take time to implement and embed and that the strategy would align with the Digital strategy in terms of supporting staff in use of AI products, such as TeacherMatic, to plan lessons and reduce duplication;
- noted that academic and business support staff considered AI at events such as Digifest;
- noted that, subject to Committee and Board approval, the strategy would be introduced at the Staff Development Day in August;
- formal training would be introduced at the end of the academic year and into the autumn term;
- noted, that in response to a suggestion, Ms Thornton would clarify in the draft that the strategy would apply to work based tutors as well as lecturers;
- recognised that the strategy could be beneficial in terms of staff recruitment and retention;
- welcomed the draft Workload Strategy and commended management and staff at the College for the work undertaken to develop the strategy;
- suggested that consideration be given to summarising the strategy in an engaging way before it was communicated to staff. Members highlighted that the College's *You Said We Did* report format was very helpful in communicating key messages. It was suggested that a visual roadmap would be helpful;
- a success matrix would be helpful to allow the Committee to monitor progress and how the strategy aligned to the College's strategic plan;

- that the College's next Investors in People assessment would take place in April 2026 and that the College was currently graded Gold but aspired to achieve Platinum.

The Committee recognised the work that had gone into development of the draft Workload Strategy and recorded congratulations to management and staff. The Committee agreed to recommend the Draft Workload Strategy to the Board for approval.

Resolved: The Committee agreed to recommend the Draft Workload Strategy, and the two associated appendices to the Board for approval.

**Actions: To develop a visual roadmap to aid communication of the strategy to staff.
To consider the development of a success matrix.**

15. Any other Business

The Committee noted that this would have been Mrs Jones last Resources Committee before her retirement from the Board in July 2025. The Committee recorded thanks to Ms Jones for contribution as Chair of Resources Committee.

16. Item/s to be drawn to the attention of the Board

The Committee agreed there were no further items to be drawn to the attention of the Board on this occasion.

17. Date of Next Meeting

The Committee noted that the next meeting date would be confirmed by the Board at its meeting on 3 July 2025.