

WIGAN AND LEIGH COLLEGE: GOVERNING BOARD

MEETING OF RESOURCES COMMITTEE

TIME/DATE 5.00pm Thursday 19th November 2020

VENUE Virtual: Microsoft Teams

Committee Members

Diane Brennan (Chair)
Michael Ferraby
Susan Spibey
Alison Chambers
Paul Howard
Anna Dawe

Principal

Clerk
Finance Director
Vice Principal, Corporate Services
Assistant Principal IT, MIS and Subcontracting

Robert Smith
Steve Scott
Louise Brown
Dave Harrison

Italics denotes absence

MINUTES

No	Item	The meeting opened at 5.00pm and was quorate with at least 3 members present.
1	R/20/11/01	APOLOGIES & CHAIR'S WELCOME There were no apologies for absence and the Chair welcomed Paul Howard to his first meeting of the Resources Committee.
2	R/20/11/02	DECLARATIONS OF INTEREST There were no declarations of interest.
3	R/20/11/03	MINUTES OF THE MEETING HELD ON 20TH AUGUST 2020 The minutes were approved as a correct record for signature by the Chair.
4	R/20/11/04	MATTERS ARISING The Clerk advised that all matters on the committee's Action Sheet were now complete.
5	R/20/11/05	HUMAN RESOURCES <u>Human Resources KPI Dashboard & Report</u> The Vice Principal, Corporate Services reported that sickness absence at the college had held up relatively well considering the impact of the Covid-19 pandemic. She advised that current absence rates were slightly above target but overall targets were still likely to be met as first term absence rates generally tended to be above the annual average. Members noted that staff engagement activity continued to be a high priority and that the college had increased its focus on staff wellbeing during lockdown periods and where staff were working from home. Members also noted that the college had secured recognition under the Greater Manchester 'Good Employment Charter' after achieving membership following assessment of the college's approaches to its staff management and engagement. The Vice Principal advised that the college had joined a pilot project of the employer engagement app called 'Stribe'. She explained that the app would provide opportunities to further develop staff engagement and would also be able to build upon existing staff engagement activity. Members discussed the staff recruitment position and were pleased to note that recruitment had continued to work well under online arrangements, including

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		<p>the recruitment of specialist staff in areas such as Engineering. The Vice Principal explained that Microsoft Teams had been used for recruitment interviews and that this seemed to have produced positive recruitment outcomes.</p> <p>Members asked whether the college had experienced positive Covid-19 cases amongst its staff. The Vice Principal responded that there had been positive cases and also cases of staff being required to self-isolate even where there had been no positive test result. However, it was noted that many staff who were showing no symptoms of Covid-19 but had been instructed to self-isolate for precautionary reasons had been able to continue to work from home, which had helped in reducing overall absence figures.</p> <p>The Chair acknowledged the significant staff wellbeing arrangements in place at the college but asked whether there was evidence of how staff were feeling in respect of working during the pandemic. The Vice Principal explained that staff continued to work positively and showed signs of very strong resilience to the challenges presented by the Covid-19 pandemic.</p> <p>Alison Chambers joined the meeting at 5.10pm</p> <p>The Chair sought clarification in relation to the college's approach to the Gender Pay Gap, particularly in relation to the arguably over-challenging targets to address pay gaps within the college. The Vice Principal responded that it was important that stakeholders could see that the college's pay gap aspirations were challenging and showed a commitment to the associated aims of the pay gap evaluations. The Chair also asked whether professional updating plans had been affected by the pandemic. The Vice Principal responded that opportunities for staff to visit other organisations had been limited, particularly in relation to visits to industrial partners, and that many previously available external programmes were not currently available. However, she also reported that the college's Quality Manager was currently trying to find new opportunities to continue this development during the pandemic.</p>
6	R/20/11/06 6.1	<p>FINANCE</p> <p><u>Management Accounts</u></p> <p>The Finance Director drew members' attention to the September 2020 management accounts and reported that the year to date operating surplus was £2.07M against a re-forecast budget of £1.66M, which indicated a positive variance of £416K. It was noted that some income would still carry a degree of uncertainty due to Covid-19 challenges, but it was also noted that the ESFA 16-18 budget, which formed the majority of income, had been agreed in advance and was now guaranteed. The Finance Director also drew members' attention to the current cash-flow position, which in September was 9.2M, equivalent to 102 days of operation. He also commented that this had increased further by the end of October to 10.4M, which amounted to 117 days and it was noted that this was confirmed within the October management accounts, which had been circulated since the meeting papers had been sent out. However, the Finance Director also commented that these values were boosted by some capital grant receipts that would need to be expended, some by the end of March 2021 and some by the end of the academic year.</p> <p>Members discussed specific budget lines, including apprenticeships income. It was acknowledged that a cautious income budget had been set due to known challenges during the pandemic, but it was now likely that these targets would be exceeded. However, the Principal urged some caution on this as the second lockdown would lead to further apprentices being placed on furlough and on breaks in learning. It was noted that pay expenditure was below budget as there were still some posts to be recruited and that non-pay expenditure was currently in line with expectations. The Finance Director highlighted a number of areas where expenditure had increased beyond budget, including £69K on PPE in the first three months of the year, as well as significant</p>

additional costs for Covid-19 deep cleans.

Members were pleased to note that the current position indicated that the college would maintain compliance with its banking covenants at year-end and that 'good' financial health under ESFA measures would also be maintained. The Chair commented that the financial position was very encouraging and this was echoed by other members. They also commented that the income position for apprenticeships was particularly positive, especially given the significant concerns at the time of the latest budget re-forecast. Members asked for further information in relation to how the college's current financial position related to sector benchmarks and ESFA expectations. The Finance Director responded that current pay as a percentage of income was 59%, against the ESFA target of below 65%. He added that, even after accounting for FRS102 adjustments, the pay percentage was only 62%. The Finance Director also outlined the debt ratio position which was continually improving. However, it was noted that this was a common picture across the sector as bank lending within the sector had virtually ceased.

Members also asked whether any significant risks potentially lay ahead. The Finance Director responded that apprenticeships remained the most significant risk and that this was expected to materialise in line with the extent and duration of Covid-19 lockdowns. Members acknowledged that this meant that, the more areas of the economy were affected by lockdowns, the more the college would be at risk of losing income from apprenticeships in those sectors.

The Finance Director also highlighted reductions in HE income but confirmed that these were reflected in the cautious budgets set at the outset. However, members were pleased to learn that, despite income reductions in some areas, other areas of growth were expected to increase income beyond those losses. The Principal commented that there were still some risks to adult education budget (AEB) income. She advised that the Greater Manchester Combined Authority AEB was guaranteed until April 2021, but there were risks of under-delivery and resulting reduced income after that. She also advised that the national AEB allocation was at risk of under-delivery. It was noted that the current estimate of overall AEB shortfalls was £250K. It was also noted that the expected GMCA AEB income was higher than the national allocation. The Chair asked whether this was the expected position. The Finance Director confirmed this to be the case. The Assistant Principal explained that 16-18 recruitment was considerably over expectations and the ESFA funding level. It was noted that the over-recruitment would not normally be funded in-year due to lagged funding principles and that the benefit of over-recruitment would not be in place until the following year. However, the Assistant Principal explained that the ESFA were currently considering an in-year adjustment, which if agreed could have a significant positive impact on college income.

RESOLVED:

6.2 That the Management Accounts for September 2020 be approved.

Finance KPI Dashboard

The Finance Director outlined the financial dashboard data and it was noted that most measures were rated 'green' under the RAG rating system, with some exceptions rated as 'amber'. The Finance Director explained that these measures were expected to meet KPI targets by year-end.

6.3

4-Year Data Trend

The Finance Director explained that the purpose of this report was to provide members with an overview of key changes in the college's financial position over a 4-year period. It was noted that ESFA income had grown by £4M over this period, which indicated the significant growth in student numbers during this period. It was also noted that non-pay expenditure had increased by £1M during the same period. Members asked whether this was the result of increasing investments into the college's infrastructure or the result of

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6.4		<p>increasing cost pressures. The Finance Director confirmed that it was the former of these and resulted from additional investments into the college's estates, IT and curriculum. The Principal commented that the college had been unable to make important investments for a number of years due to its challenging financial position. She added that the improved financial position in recent years had allowed the college to 'catch up' on some of these investments, but stressed the importance of continuing to make investments in these areas to maintain an up-to-date curriculum offer and to maintain standards that prepare students for ever-changing work places.</p> <p><u>Review of Financial Regulations</u></p> <p>The Finance Director explained that amendments to the Financial Regulations were required to reflect light touch procurement options for contracts regarded as social in nature. He gave an example of only wanting to offer contracts to local educational partners to ensure that college funding was directed at local learners. Members acknowledged that, in these circumstances, it would not be appropriate to offer these opportunities nationally as broader procurement rules may require.</p> <p>RESOLVED: That the proposed revisions to the Financial Regulations be approved.</p>
7	R/20/11/07	<p>ANNUAL ESTATES AND HEALTH & SAFETY REPORT 2019/20</p> <p>The Vice Principal, Corporate Services highlighted the significant capital works carried out over 2019/20 and reported that, despite Covid-19 challenges, the college had been able to complete planned work on time and on budget. She also highlighted the significant increase in time and cost required to make the college a safe space in relation to Covid-19, including creating one-way routes around college buildings and delivering extra cleaning and monitoring. Members noted that the Covid-19 lockdown and subsequent home working arrangements had impacted on the college's ability to deliver full accident and incident reporting, although it was also noted that the significantly reduced number of people on site during the latter part of the year had reduced the number of instances.</p> <p>The Chair commented that student feedback indicated that they remained positive about the college and felt safe, but asked whether the Covid-19 situation was impacting on students' and staff feeling of safety whilst at college. The Vice Principal responded that student feedback continued to be monitored and that staff and student focus groups had been increased in number in order to maintain a clear picture about staff and student views about a large number of issues, including the feeling of safety whilst on college premises. It was noted that the positive responses on the overall feeling of safety had continued. The Vice Principal also advised that the college had adopted a new consultation app tool called 'Stribe' which allowed quick and specific responses on issues potentially affecting staff. It was also noted that the college's focus on open dialogue had helped to improve staff willingness to speak openly about areas of concern.</p>
8	R/20/11/08	<p>HEALTH & SAFETY POLICY</p> <p>The Vice Principal, Corporate Services advised that there were no legislative changes to be applied to the Health & Safety Policy but a number of changes had been required to incorporate Covid-secure arrangements.</p> <p>RESOLVED: That the Governing Board be recommended to approve the proposed revisions to the college's Health & Safety Policy.</p>

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9	R/20/11/09	CAPITAL PROJECTS UPDATE The Vice Principal, Corporate Services advised that a full update on capital projects would be provided to the Governing Board on 8 th December, but provided a brief update on the current position. She reported that the college had received the keys to the Rushton Building and had now commenced work to make the building safe and ready for use early in 2021, including use for examinations. Members were pleased to learn that the college had earlier in the day received confirmation that its T Level capital bid had been successful and that this would be used to make improvements to the first floor of the Rushton Building as planned. The Vice Principal also reported that work was continuing under recent capital grants to improve the 300 Floor and this was being carried out with a March 2021 target completion date. Members acknowledged that the college was under significant pressure to deliver a number of capital projects, where funding was subject to required completion dates before the end of March 2021 or before the end of the academic year.
10	R/20/11/10	ANY OTHER BUSINESS There was no further business.
11		DATE AND TIME OF NEXT MEETING: 5.00pm Thursday 4 th March 2020
		The meeting closed at 5.50pm