

# Resources Committee

Tue 14 February 2023, 17:00 - 18:30

MS Teams



## Attendees

**Present:** Ann Harrison (Independent Governor, Vice Chair of the Committee and Chair for this meeting), Nazia Rehman (Independent Governor), Susan Spibey (Independent Governor), Alison McKenzie-Folan (Independent Governor), Anna Dawe (Principal).

**In attendance:** Joanne Platt (Director of Governance), Steve Scott (Finance Director), Louise Brown (VP Corporate Services), Dave Harrison (VP Data and Funding)

The Director of Governance confirmed that the meeting was quorate.

The Chair welcomed everyone to the meeting and advised the Committee that Diane Brennan had resigned as a Co-Opted Governor and from her position as Chair of the Committee, due to personal commitments. Committee members were saddened to hear of Diane's resignation and commended her contributions as a Governor and as Chair of the Committee.

## Meeting minutes

### 1. Apologies for absence

RES-23-02-01

Apologies for absence had been received from Tom Mooney.

### 2. Declarations of Interests

RES-23-02-02

There were no declarations of interests.

### 3. Minutes of the previous meeting and matters arising

RES-23-02-03

The Committee reviewed the minutes of the previous meeting and agreed that they were an accurate record of the meeting. All actions arising from the meeting were complete.

**Resolved:** The Committee approved the minutes of the meeting held on 8 November 2022 for signature by the Chair.



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The Committee reviewed the Management Accounts to the end of December 2022, noting that the accounts show a year to date operating surplus (before FRS102 adjustments) of £889k against a budget £607k which is a positive variance of £282k.

Cash balances at the end of the period were £11.429M (116 days). This is slightly higher than the originally budgeted £11.409M (116 days) and remains within the 30 day threshold adopted by the College and reported in the annual financial statements.

ESFA key performance indicators showed the College's financial health will remain at a minimum of "good" and all bank covenants are compliant with the terms of the facility agreements.

The Committee recognised that although the management accounts show the College in a strong financial position it is not a guarantee of long term financial stability and noted that the financial position is continuously monitored and managed to ensure the College remains financially secure. In particular, the on-going concerns in relation to energy prices and general cost of living inflationary costs will continue to be reviewed on a monthly basis to ensure the College keeps within the budget parameters in 2022-23.

Although HE income is predicted to be less than target, this is partially offset by additional apprenticeship income as more students have enrolled on degree apprenticeships in place of other HE programmes.

The Committee noted that a reduction in HE income in the FE sector was a national issue, largely as a result of middle and lower ranking Universities lowering grade tariffs for entrance onto their programmes. It is predicted that growth plans, and in particular those related to the Institute of Technology will result in a recovery of the position over the medium term.

The Committee discussed energy costs, noting that the current fixed tariffs are due to end in April 2023 for electricity and April 2024 for gas. It was noted that the College's energy brokers are working closely with the College to monitor prices. However, the College had budgeted prudently for this and it is anticipated that increased prices will be managed within the budgeted figures.

The Committee discussed the steps being taken by the College to minimise energy use and to invest in renewable energy, with a view to reducing energy costs, generating income and working towards the College's Sustainability targets.

It was noted that the Devolved Adult Education Budget (AEB) was on target to achieve 100% and whilst there may be some clawback on the smaller national AEB, this has been modelled and accounted for in the budget reforecast considered under Item 5 below.

Governors thanked the Finance Director and his team for the strong financial management that has put the College in such a strong financial position, in very challenging times.

**Resolved:** The Committee approved the Management Accounts to the end of January 2023

## 5. Mid-Year Budget Re-Forecast

The Committee reviewed the mid-year Budget Re-Forecast for the financial year to 31 July 2023. It was noted that the original budget approved by the Governing Board in July 2022, forecast an operating surplus of £874k and a reporting deficit after FRS102 adjustments of £1.1Mk.

Following a review of the original assumptions based on the current FE environment, together with some clarification on previous expectations, the re-forecast predicts that the College's position will improve to show an operating surplus of £1.125M and a reporting surplus of £1.377M which will allow the College to maintain a minimum ESFA financial health grading of "good" whilst also allowing it to operate within the terms of its banking covenants.

The Committee noted that review of all income and expenditure lines will continue, to monitor and manage the current year financial position.

The Committee was assured of the College's strong financial position and again thanked the Finance Director and his team for their strong management of the College's finances.

The Committee noted the report.



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## 6. Fees Policy

RES-23-02-06

The Committee reviewed the Fees Policy for 2023-24, which has been updated to take into account the latest available guidance and policy changes issues by the ESFA and the GMCA. It was noted that there were no significant increase in fees, despite rising costs and that the policy had been reviewed to ensure there are no anticipated impacts on equality and diversity.

**Resolved:** The Committee agreed to recommend the Fees Policy for 2023-24 to the Governing Board for approval

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## 7. Finance Report and KPI Dashboard

RES-23-02-07

The Committee reviewed the Finance KPI dashboard, noting that most KPIs are on track to achieve target.

It was noted that two of the four amber (national AEB) and the one red (HE income) KPI have already been discussed under Item 4 above. The two other amber KPIs relate to FE loans and managing agent fees, both of which may recover and fall within target by year end.

Governors expressed their appreciation of the dashboard, which sets out a very clear position in relation all the financial KPIs.

The Committee noted the report.

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## 8. HR Report and KPI Dashboard

RES-23-02-08

The Committee considered the HR Report and KPI Dashboard up to and inclusive of data to January 2023.

It was noted that the staff absence rate is 5% which has increased during the last reporting period. This currently reflects the seasonal respiratory infections and sickness bugs which have been prevalent during this period and reported nationally, along with Covid still being in general circulation. However, it was noted that current date shows an improving position and also that the investment in face to face counselling has had a positive impact on staff absence.

Ongoing challenges in recruiting and retaining staff continues, particularly in specialist and skill shortage areas. The turnover rates currently stand at 15.4% for overall turnover and 18% for leavers within the first year and the Committee discussed the various measures being taken to address this.

Challenges relating to the cost of living crisis also remain prevalent with many strategies in place across the College to try and support staff during this difficult time.

It was noted that the introduction of the new benefits platform and the Green Car Scheme has been well received by staff, and is supporting staff during the cost of living crisis, whilst also being used as a tool in recruitment and retention and to support the College's sustainability strategy.

High levels of employee engagement continue across the College with a programme of activities and enrichment for staff along with well-being strategies in place.

The Committee thanked the Vice Principal Corporate Services and her teams for all their work, which is impressive and is clearly having a positive impact on staff in these challenging times.

The Committee also noted and congratulated the team for being shortlisted as finalists for the GM Good Employers Health and Wellbeing Award.

The Committee noted the report.



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The Committee considered the Estates and Sustainability Report and KPI dashboard, noting that the full programme of planned and preventative maintenance is underway and scheduled throughout the year, including additional works relating to the vacated section of the School for the Arts Building.

It was noted that the College has now received the carbon reduction plan following its work with Hillside Environmental Consultants and that work is underway to plan the programme for carbon reduction, with Solar PV and alternative heat proposals being investigated. .

The College has planned a "Green Week" across all campuses in April to raise awareness with staff and students on climate change and how they can reduce their own carbon footprint and support the College in doing the same.

The College continues to work with the DfE on the preparation and planning for the transformation programme rebuilding the Parsons Walk campus and it was noted that the DfE along with contractors had visited the Parson's Walk campus a number of times in January and February 2023, and that the final control option for planning is being developed.

The College has also commissioned a space utilisation survey for the Pagefield campus which will be used to inform future capital development for the site.

The Committee noted the positive feedback from inspectors during the recent OFSTED visit, in relation to the cleanliness and maintenance of all campuses.

The Committee noted that the two ambers on the KPI dashboard in relation to condition and space utilisation, would be addressed when the transformation project was delivered.

Governors were pleased to see the progress being made in relation to sustainability.

The Committee discussed potential collaboration with the Council on other schemes taking place in the Borough and it was confirmed that the College is working closely with relevant Council officers in relation to the transformation project and links with other schemes and also on the development of an ECO hub at Pagefield and developing apprenticeships to address skills gaps for the retrofit of council properties in the Borough.

The strategic direction of the Leigh campus was discussed with a view to identifying additional specialisms being developed in response to local need.

The Committee noted the report.

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## 10. Strategic Chapter: Mid-Year Update

### 10.1. Investment for the Future

RES-23-02-10

The Committee reviewed the Strategic Chapter update for Investment for the Future, noting that most activities taking place had already been discussed under other items on the agenda.

One item not previously discussed was the Leadership Development Programme and it was noted that a cohort of middle managers were due to start a 'Leading from the Middle' development programme in conjunction with Hopwood Hall College.

In addition, aspiring leaders have now been identified to undertake the Education and Training Foundation's Aspiring Leaders programme this year to support succession planning and the ambitions of staff, and a Coaching Strategy is in place for future senior leaders as part of the College's approach to succession planning.

It was also noted that a recent CMT session had focused on the ethnic diversity of the workforce and the importance of data collection in relation to sensitive information, ensuring adequate data analysis is available to inform future approaches to equality and diversity.

The Committee noted the report.



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## 11. Capital Projects - verbal update

RES-23-02-11

The Vice Principal Corporate Services gave an update on the transformation programme to the Committee, noting that the DfE has now identified a preferred contractor and that detailed discussions are taking place in relation to the build, which is due to start in the late summer of 2023. It was noted that a further full update will be provided to the Governing Board at its meeting in March.

In response to a question from a Governor in relation to planning approval for the build, it was confirmed that the contractor and a team of design architects are already in discussions with the local planning department.

The Committee noted the update.

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## 12. Items to be included in the Committee Chair's Report to the Governing Board

RES-23-02-12

The Committee agreed the items to be included in the Committee Chair's Report to the Governing Board.

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## 13. Any other business

RES-23-02-13

Chair

There were no items of other business.

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## 14. Date and time of next meeting: Thursday 9 June 2022 at 5.00pm

RES-23-02-14

The meeting ended at 6.21pm.

Chair



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