

MINUTES OF FINANCE & RESOURCES COMMITTEE MEETING HELD AT THE KINGSWAY CAMPUS ON 9TH MARCH 2022

Present:	Neil McGrath	External
	Mary Murphy	Principal
	Wesley Rourke	External
	Chris Sikorski	Staff
	Susan Smith	External (Chair)
In Attendance:	Julie Holland	Deputy Principal (Finance & Resources)
	Gordon Holmes	Head of Finance & Estates (minutes 84 to 135)
	Lesley Venables	Clerk to the Governors
	Julia Withersby	Head of Human Resources (minutes 84 to 102)

APOLOGIES

84 Apologies for absence were received from Ben Barton (Assistant Principal).

DECLARATIONS OF INTEREST

85 A declaration of interest was received from Wesley Rourke in respect of any items concerning Halton Borough Council.

MINUTES

86 **Resolved -** That, subject to one minor amendment, the minutes of the meeting (Parts 1 and 2) held on 1st December 2021 be approved as a correct record and signed by the Chair

MATTERS ARISING

87 Governors received a report on progress against the actions identified at the previous meeting. It was noted that all of these were either being implemented, had been completed or were featured on the agenda.

88 In relation to minute 6, the Head of Human Resources reported that a male member of the Senior Management Team was currently undertaking additional training on welfare and safeguarding issues to add strength to the existing team.

89 Staff terms and conditions had been reviewed recently (minute 10) and it was noted that there had been no significant increase in staff turnover as a result of the pandemic. The College received a good level of applications for each advertised vacancy, which was felt to be linked to the Ofsted 'Outstanding' grading and the organisation's high reputation in the

sector. Nationally, support staff were leaving further education and returning to industry, but this was not the case for the College.

90 In response to a question regarding recent increases in the price of raw materials and their impact on capital project costs, the Deputy Principal reported that the College was confident that any current projects would be reviewed against the approved budget (minute 45). However, it was noted that in the re-submission of the T Levels capital bid, additional costs of £0.5m had been included. The College was not obliged to pursue any bids to the Education & Skills Funding Agency capital grant funds and management would review the situation once the outcome of the bidding process was known and potential costs confirmed.

91 Under minute 53 the Principal reported that the performance of Crosby training was still classified as 'amber', but that good progress had been evidenced during a recent Ofsted inspection of its provision. Governors were reminded that the partner provided education and training to hard-to-reach individuals and was dependent for its success on referrals from the Department for Work & Pensions.

92 As discussed at the previous Committee meeting the College planned to reduce its Adult Education Budget Non-Devolved sub-contracts to a more appropriate level, so that it would be fully compliant with 25% threshold by 2022/2023. The Principal advised that the recommendations resulting from the audit of sub-contracting provision had been implemented.

FINANCE & RESOURCES UPDATE

Human Resources

93 The Head of Human Resources presented an update on key indicators for 2021/2022.

94 Overall sickness absence levels had increased from 3.93% in 2020/2021 to 6.32% (compared to the Association of Colleges' benchmark for 2019 of 2.6%). Part of the rise in absence levels was due to staff undergoing hospital treatment which had been delayed due to the pandemic. The normal pattern of absence was for rates to decrease towards the end of the academic year and management was confident that this would be the case in 2021/2022.

95 Since August 2021 there had been 144 confirmed COVID cases amongst staff, of which 80 had occurred since Christmas. The higher number was replicated both locally and nationally, which had occurred with the lowering of restrictions on behaviour and socialising. Management felt that the vast majority of staff had now been fully vaccinated, which had reduced the number of individuals who needed to isolate when identified as close contacts.

96 A total of 24 staff had left the College in 2021/2022 (compared to 19 in 2020/2021). The majority of these had resigned (19), 3 staff had not had their fixed term contracts renewed, 1 had retired and 1 had been made redundant.

97 The Committee asked whether the recent improvement in the economy had impacted on staff retention and recruitment and was assured that the College was in a strong position, given its Ofsted rating, financial stability, ability to make annual pay awards and attractive terms and conditions.

98 Following a recent review of Business Support Benchmarking Costs by the Internal Auditors, further analysis had been undertaken to determine whether there were any significant issues. This had concluded that the College had fewer support staff than in other organisations but received higher levels of pay and were deployed in areas where they would

have the greatest impact on learners. Satisfaction rates remained positive and the response rate in the latest survey had been high.

99 The College's Gender Pay Gap report would be published on the website by 31st March 2022. This set out that the mean gap had risen by 1% to 8.59% and the median was now 23.17%.

100 Detailed evaluation of the data by contract type indicated that the majority of the College's staff were female and in support roles. For this group, both the mean and the median gaps were less than 3%. However, for managers (a high proportion of whom were female) the mean gap was 13% and the median 6%, due to a high proportion of female staff in senior roles. For academic staff the mean was 5% and the median 8% and it was noted that this was partly due to the number of male lecturers in areas where recruitment of staff was more difficult such as Construction and Engineering.

101 Management had concluded that there was no systematic bias and that the situation was likely to be replicated in the FE sector.

102 The College's programme of well-being activities continued to be positively received by staff.

Julia Withersby left the meeting at this point.

Health & Safety and Environmental Sustainability

103 The Deputy Principal (Finance & Resources) presented an update on Health & Safety and Environmental Sustainability issues since the December 2021 meeting.

104 The total number of minor injuries was 96, compared to 52 for the same period in 2020/2021 and against a background of significant growth in footfall on each campus following the various lockdown periods and major capital works at the Cronton site.

105 All accidents were investigated to determine whether any changes were necessary to the College's processes and procedures. Management felt that the relatively low number of accidents was attributable to improved awareness of safety issues and the high level of staff training undertaken.

106 There had been 22 'near misses' or 'incidents' recorded, which had been categorised into 4 main areas: damaged/faulty fixtures and fittings; electrical/lighting faults; trip hazards and damaged/faulty plumbing fixtures. There had been one RIDDOR reportable incident, which had been fully investigated with no recommendations for remedial action.

107 Robust risk management processes were in place and aligned closely to the latest Government guidance on COVID-19, together with comprehensive training and advice for staff. The College had also implemented new regulations on Personal Protective Equipment.

108 Trips and visits by students had recommenced and carbon dioxide monitoring equipment had been installed across each campus.

109 It was agreed that the health and safety compliance 'dashboard' would be included in the next report to the Committee.

110 Governors were advised that mental health support was available for students and staff and management would continue to monitor levels of well-being, with further measures introduced as required.

111 The Committee received a report on Environmental Sustainability and was reminded that the College had adopted the Association of Colleges' Climate Change Roadmap. The Senior Management Team was progressing a number of actions in relation to the Green Agenda. Each curriculum area had been asked to include a 'green' action within their Quality Improvement Plans.

112 Governors asked how the College was obtaining information on good practice within the sector and were advised that staff were members of key networking organisations (such as the Association of Liverpool City Region Colleges). The College was also actively participating in 2 projects in association with local universities (Talent City and Level 4/5 uninitised qualifications on green issues). Management felt that the College was ahead of its peers in terms of the development of a green action plan.

113 The need to demonstrate a direct link between visible strategies (such as tree planting to offset carbon consumption) and a change in the culture of the organisation to focus on green issues was discussed.

114 It was difficult to determine what measures of success could be used by the College to assess performance in this area; a similar scoring system to that used for BREEAM may be appropriate.

Mid-Year Update 2021/2022

115 The Deputy Principal presented the Mid-Year Update for 2021/2022 and Management Accounts to December 2021.

116 The actual underlying operating surplus of £1.974m compared to £1.152m in the Three Year Financial Forecast approved by the Board in July 2021. This was due to higher than anticipated recruitment period for the 16-18, HE and Apprenticeships funding streams and the allocation of growth funding in-year. The Adult Education Budget remained challenging, and an amount to mitigate any clawback resulting from changes to the ESFA's tolerance levels had been included. The College would also receive an additional allocation of £200K to support its T Level delivery in 2022/2023.

117 The updated forecast now included capital projects that were currently underway, projects where the ESFA grant had been agreed, together with a bid to the Further Education Capital Transformation Fund for a total cost of £10.4m (£6.4m grant and £4m contribution from the College's reserves), the outcome of which was, as yet, unknown.

118 Management was exploring the possibility of submitting a further bid to the ESFA's 'T' Level capital fund. Governors were reminded that £2m had already been allocated in the 2021/2022 budget for addressing delivery currently housed in portacabins at the Cronton Campus and this project was discussed later in the meeting.

119 Contingencies of 4% for pay and at least £1m for non-pay items had been included for future years, which would cover any inflationary pressure and the delivery of adult programmes, which remained challenging.

120 It was noted that cash balances remained positive, with a minimum of £16.8m throughout the period of the Plan, which was well within the bank covenants. The College would remain in 'outstanding' financial health in each year.

121 The net pension liability for the Local Government Pension Scheme had been valued at £10.6m in July 2021. The Mid-Year Update increased this amount by approximately £1m per year. However, the Deputy Principal advised that the value of the scheme's assets may be significantly affected by the impact of COVID-19 and the Ukrainian crisis on investment values. This would continue to be closely monitored and reported to the Committee.

122 The College was on target to exceed its 16-18 learner numbers targets by 124 in 2021/2022 and it was anticipated that further opportunities to apply for capital grants would become available shortly. The Update included revisions to curriculum delivery, an adjustment to the proportion of on-line provision, increased refurbishment costs and pay and non-pay contingencies (the latter would be used to provide flexibility within the budget once retention rates for 2021/2022 and actual enrolments for 2022/2023 were more certain).

123 **Resolved -** That the Board be **RECOMMENDED** to approve the Mid-Year Update for 2021/2022

Property Update

124 The Deputy Principal and the Head of Finance & Estates presented a progress report on the capital projects being undertaken by the College using grants from the ESFA and supplemented from its own reserves.

125 There had been some delays in the programme for the Health & Well-Being building at the Cronton Campus due to the need to avoid disruption to operations during the mock examinations and recent heavy storms. As agreed with Halton Borough Council plans for a new cycleway and footpath linking with the bus-stop on Queensbury Way should help to reduce congestion at busy periods.

126 All other projects under this funding strand had been successfully completed.

127 As reported previously, the College had submitted a first stage bid to the FE Capital Transformation Fund for projects that were identified at the Kingsway Campus, which had been successful. Stage 2 of this application (which had now been divided into two separate bids) had been submitted to the ESFA by the deadline of 8th October, but the outcome was still unknown.

128 The overall cost of the two projects was £10.4m. Planning approval had been sought from Halton Borough Council and it was noted that, should neither bid be successful, the College wished to proceed with the project to re-clad the Kingsway Campus in phases.

129 Bids to the T Level Capital Fund were currently being developed. At the Kingsway Campus this consisted of an expansion of the College's green technology provision and the refurbishment of the external facias of the buildings (at a cost of approx. £4.5m).

130 At the Cronton Campus the project was for the replacement of temporary classrooms and the music hub for the delivery of Animal Management, Health & Science and Creative & Design courses from 2024/2025. The approximate cost had been estimated at £3.6m, with the College contributing £2m from reserves (which had already been included in the financial plan approved by the Board in July 2021). However, following increases in global prices for materials such as steel and concrete, this figure was now £965K higher.

131 The Deputy Principal reported that the allocation in the budget for cross-College capital works could be used to fill this funding gap. The final costings for the project would be submitted to the Board for approval, once the outcome of the bidding process was determined.

The College was under no obligation to proceed with the project if the Board felt that this would be too risky.

132 Governors noted that any grants from the T Level fund would depend on which qualifications the College could offer. The maximum amount available was £4m in total, with a ceiling of £1.2m for Engineering and £0.65m for Health & Social Care.

133 The Deputy Principal advised that the ESFA's deadline for submission of bids to the T Level fund was 11th March, which meant that the Board would need to approve the College's application retrospectively. This was not ideal, but it was recognised that the timings for capital bids was extremely short and that at this stage any application was speculative, with the final proposal and any expenditure plans to be brought back to the Board for approval.

134 The Committee felt that, at some point in the future, the Board should consider the longevity of the Kingsway building in relation to the cost of ongoing preventative maintenance and the alternative options.

135 **Resolved -** That the outline bid to the ESFA's T Level Fund be submitted by the deadline of 11th March

Gordon Holmes left the meeting at this point.

Partnership Provision Update 2021/2022

136 The Principal provided an update on partnership provision contracts for 2021/2022.

137 The Committee was reminded that the Board had approved contracts for the delivery of provision by four partner organisations. Each partner was delivering satisfactorily against the background of the pandemic, with the exception of Crosby Training. This was due to the fact that attendance on courses by individuals referred by the Job Centre Plus service were not mandatory.

138 Three partner organisations had been graded as 'green' in terms of quality and the remaining organization as 'amber' following the latest assessment by College staff.

POLICIES

139 A further policy on Environmental Sustainability was received, but it was agreed that this needed to be amended to incorporate the Board's responsibilities in this area and to align the policy with the new requirements of the Association of Colleges' Code of Good Governance. Given the importance of the climate change agenda it was felt appropriate to nominate a lead governor for this area.

140 **Resolved -** 1 That the Board **be RECOMMENDED** to approve the following policies:

- Fees 2022/2023
- Apprenticeship Fees and Charges
- Higher Education Fees and Compensation 2022/2023
- Freedom of Information
- Staff Grievance

- 2 That the Board **be RECOMMENDED** to appoint Wesley Rourke as the lead governor for climate change

ITEMS TO BE REPORTED TO THE BOARD

141 The Chair summarised the key points that would be reported to the full Board at its meeting on 21st March 2022:

- Comprehensive report received on human resources, health & safety/COVID-19, environmental sustainability and partnership provision contracts.
- Mid-Year Update 2021/2022 discussed in detail and recommended for approval by the Board, with high levels of performance noted, along with all financial health criteria being exceeded
- Detailed report on property issues and capital projects/bids
- Management accounts to December 2021 were noted
- A number of policies were recommended for approval by the Board
- Appointment of Wesley Rourke as the lead governor for climate change was recommended for approval

DATE OF NEXT MEETING

22nd June 2022, 5.00 p.m.

Signed:



Chair of Finance & Resources Committee

Date: 10/07/2022