

## MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING HELD ON 6<sup>th</sup> MARCH 2024 AT 4:30PM AT THE KINGSWAY CAMPUS

<b>Present:</b>	Neil McGrath Mary Murphy Chris Sikorski Susan Smith	External Governor Principal Staff Governor External Governor
<b>In Attendance:</b>	Ben Barton Julie Holland Gordon Holmes Julia Withersby Catherine Shaw	Assistant Principal Deputy Principal (Finance & Resources) Head of Finance and Estates Head of HR Clerk to the Governors

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received and accepted for Stephen Young.

### 2. DECLARATION OF INTERESTS

None.

### 3. MINUTES

#### 3.1 To approve the minutes of the previous meeting held on 22<sup>nd</sup> November 2023 (previously circulated)

The Committee reviewed the minutes from the previous meeting.

**Resolved** - That the minutes of the meeting held on 22<sup>nd</sup> November 2023 be **approved** as a correct record.

#### 3.2 To review the action log and to consider any matters arising from the minutes (previously circulated)

The action log was reviewed.

**Resolved** - The Committee **noted** that action points were either completed or in progress for completion.

### 4. FINANCE AND RESOURCES UPDATE

#### 4.1 Human Resources (previously circulated)

The Head of HR presented this report and highlighted the following aspects including key performance indicators, as appropriate:

- Absence rates had decreased compared to this point in time last year; decreasing to 2.45% short term and 2.01% long term.

- The number of staff leaving the College had increased by 5 compared to the same period last year. The Committee received assurance that this had been managed effectively.
- Gender pay gap for March 2023 had decreased to 10% mean and 21% median. The Committee was advised that the report was to be published in line with the College's statutory obligations as a public sector body with regard to gender pay gap reporting.
- The Employee Health & Wellbeing Strategy continued to be a key priority with a recent Equality, Diversity, Inclusion and Wellbeing Day having taken place for all staff.
- Leadership development activities had progressed further with the launch of Action Learning Sets.
- The 2022/2023 staff pay award had been very well received.

A Governor asked whether there was any cause for concern relating to the increased number of staff leaving the College. In response, the Head of HR advised that during the pandemic the rate of leavers decreased. She advised that an analysis showed that several former employees within the 'leaver cohort' had moved for career progression purposes. The Committee discussed the current competitive labour market in respect of both teaching and support roles. Governors received assurance that the College Management Team (CMT) continued to closely monitor the situation in light of national challenges in staff recruitment and retention.

The Committee was pleased to note that the gender pay gap was decreasing and discussed the findings from the analysis that had been undertaken by the Head of HR.

**Resolved:** The Committee **noted** the contents of the report.

*The Head of HR was thanked for her report and she left the meeting.*

#### 4.2 **Health and Safety** (*previously circulated*)

The Deputy Principal presented this report and highlighted the following aspects:

- Accidents, Incidents and Near Miss Statistics – the number of minor accidents had increased by 12, compared to 2022/2023 data at this point in time. There had been a significant increase in the number of near misses reported and the Committee was advised that this was mainly due to plumbing fixtures relating to the toilet facilities. Contractors were currently engaged in upgrading these facilities. There had been no RIDDOR reportable incidents.
- Health and Safety (H&S) Activities – these included (i) a review of the H & S Policy, (ii) an increase in the number of college trips that had been undertaken compared to 2022/2023, (iii) risk assessments had been reviewed in accordance with the annual schedule with no concerns having been identified and (iv) First Aid training had taken place with an additional 11 members of staff being included on the list of first aiders at the College.

The Deputy Principal provided additional information regarding a near miss incident that occurred on 20<sup>th</sup> February 2024 at the Kingsway campus, whereby a UPS machine had failed due to overheating and the area filling with smoke. The Fire Service attended and the situation was quickly resolved. The Committee received assurance that subsequent recommendations had been implemented immediately by the CMT. It was noted that

the Fire Chief had praised the staff, students and fire marshals for their swift response and actions.

A discussion took place. A Governor requested further information regarding server and cloud computing options at the College. In response, the Committee was advised that the College remained the host relating to HR and financial information, primarily to mitigate risk associated with data protection regulations. Other than this, the cloud was used.

**Resolved:** The Committee **noted** the contents of the report.

#### 4.3 **Financial Forecast Update 2023/2026 including Budget Monitoring 2023/2024** *(previously circulated)*

The Deputy Principal (Finance & Resources) advised that the purpose of the report was to provide an update to the Financial Plan agreed in July 2023 and submitted to the ESFA. She highlighted the following aspects of the report:

- A prudent approach had been taken to the change in assumptions. Non-pay expenditure included contingency to ensure the college had the flexibility to respond to rising costs and inflationary increases within the sector.
- Table contained within section 5 of the report illustrated the changes to assumptions throughout the period of the Plan. The operating surplus in 2023/2024 was forecast to be £2.001m.
- Income forecasts – more favourable than projected in July 2023 following a successful recruitment period for all income streams. However, achieving the apprenticeship and adult budgets remained challenging, given the all-year nature of the recruitment and mitigation had been included for clawback should tolerance levels change.
- Capital Programme – included projects that were currently underway, where the grant had been agreed. The Committee was referred to the capital analysis contained within Table 6 of the report.
- Pay contingencies – 5% had been included in future years as were non-pay contingencies of at least £0.7m annually. This allowed for mitigation should inflation continue to rise and adult delivery remained challenging.
- Cash-flows had been updated and the minimum cash balance held equated to approximately 164 cash days.
- Local Government Pension Scheme – as at July 2023 there was no pension liability. This plan increased the pension liability by approximately £1m per year. The value of assets in the scheme could be significantly affected by the impact of the current economic situation on investment values. The Committee received assurance that the CMT continued to closely monitor the situation.

In conclusion, the Deputy Principal advised that given the recent announcement regarding (i) increased 16-18 funding rates and (ii) English and Maths funding – mandatory minimum teaching requirements regarding re-sits, a further update was to be presented at the next Committee meeting.

A Governor sought clarification as to the reduction in 'non pay costs' and this was provided by the Deputy Principal. A discussion took place with Governors commenting on the extremely favourable financial position.

**Resolved:** The Committee **noted** the report and **recommended approval** of the updated budget for 2023/2024 to the Board.

#### 4.4 **Property Strategy Update** (*previously circulated*)

The Head of Finance and Estates presented this update and highlighted the following key aspects from his report:

- Liverpool City Region (LCR) Strategic Investment Fund and ESFA Further Education Capital Fund (FEC) – the completion of the substation at Cronton was the only matter outstanding in relation to the Health and Wellbeing Centre. The revised costs were included in the financial plan agreed in July 2023 and updated in the mid-year forecast.
- ESFA Further Education Capital Transformation Fund (FECTF) – discussions with the T Level Wave 4 Capital Team had been concluded with the College formally withdrawing from the T Level Wave 4 Capital. A full plan of how the College intended to spend the funding was submitted to the Department for Education (DfE) by 12<sup>th</sup> January 2024. The outcome of the property strategy would form part of the DfE plan. Governors were referred to the summary plan contained within the briefing papers.
- Teaching Block and Music Hub at Cronton – Whitfield & Brown (Developments) Ltd were successful at tender and awarded the project via the Board's written resolution mechanism. There was currently a slight delay due to the requirement for Whitfield & Brown to source an architect. A revised programme and date for commencement on site were awaited.
- Green Technology new build at Kingsway – Hightown Group Ltd were successful at tender and awarded the project, via the Board's written resolution mechanism. This was subject to certain conditions being met. Due to a recent development Hightown Group were no longer in a position to proceed and a confidential minute recorded due to commercial sensitivity. As the second placed tenderer, Whitfield & Brown (Developments) Ltd had been approached and confirmed that the price and programme remained the same as presented at interview. It would be necessary for Whitfield & Brown to source an architect.
- LCR bid hydrogen teaching space – as part of a combined LCR bid, the College had been successful in gaining £450k funding (£155k capital works, £295k equipment). The formal opening took place on 1<sup>st</sup> March 2024.
- Maintenance Plans – The College continued to progress preventative maintenance plans.
- Capital Projects Finance and Risk – A full risk analysis had been undertaken which modelled several financial scenarios. With no further draw down of loan, the College remained in 'outstanding' financial health to 2027.

A discussion took place. Clarification was sought and responded to concerning two recent tender processes. For reasons of commercial sensitivity, a confidential minute was recorded in connection with this matter.

**Resolved:** The Committee

- **noted** the report
- **recommended approval** to the Board that Whitfield & Brown (Developments) Ltd be awarded the contract in respect of the tender relating to Green Technology new build at the Kingsway campus.

The Head of Finance and Estates was thanked for his report and he left the meeting.

#### 4.5 **Partnership Update** *(previously circulated)*

The Assistant Principal presented this report on behalf of Jayne Smith, Head of Skills and Enterprise. The following aspects were highlighted in relation to the College's sub-contractors:

- Power in Partnership (PiP) – experienced high demand for programmes and were on track to meet all contract funding targets for 16-18 and 19+. Improving quality and achievement rates remained a key focus.
- Crosby Training – delivered pre-employment programmes linked to recruitment of teaching assistants, Civil Service and security sectors. There had been some low conversion rates from Job Centre referrals in non-devolved areas. Attempts were being made to address this by establishing links with DWP contacts across the region to encourage more referrals to programmes. Performance against the Education and Skills Funding Agency (ESFA) contract was being closely monitored.
- In-year achievement, destination data and targets were reported in respect of both PiP and Crosby training, relating to 16-18 and 19+.
- Partnership Quality Group – the risk rating for both partners had been agreed at amber.
- Subcontracting Standard – ESFA had delayed the national announcement on the outcomes of the Subcontracting Standard application made in July 2023. It had been confirmed with the Liverpool City Region (LCR) that the College would be adopting the Subcontracting Standard in respect of the Adult Education Budget (AEB) in 2024.

The Committee considered its responsibilities regarding sub-contracting provision and an in-depth discussion ensued. The Principal informed the Committee that provision currently on offer to those not in education, employment or training (NEETs) had substantially been reduced in the Borough. Whilst it was noted that progress was being made, the Committee fully supported College Managers in continuing to closely monitor the quality of provision.

**Resolved:** The Committee **noted** the report.

### 5. **POLICIES**

#### 5.1 **Environmental Sustainability** *(previously circulated)*

#### 5.2 **Fees 2024/2025** *(previously circulated)*

#### 5.3 **Apprenticeship Fees and Compensation 2024/2025** *(previously circulated)*

#### 5.4 **Higher Education Fees and Compensation 2024/2025** *(previously circulated)*

The Committee reviewed the individual policies within agenda items 5.1 to 5.4 (inc), noting proposed amendments, where applicable.

**Resolved:** The Committee **recommended approval** of the above policies to the Board and **noted** that all policies under future review will incorporate any AI implications.

### 6. **ITEMS TO BE REPORTED TO THE BOARD**

A discussion took place.

**Resolved** – the following report to be presented to the Board at its next meeting on 18<sup>th</sup> March 2024 together with an overarching summary report:

- Financial Forecast Update 2022/2024 including Budget Monitoring 2023/2024

**7. DATES OF FUTURE COMMITTEE MEETINGS**

**Resolved** - The Committee **noted** the following meeting dates:

- Board – 18<sup>th</sup> March 2024 at 4:30pm
- Finance & Resources Committee – 19<sup>th</sup> June 2024 at 4:30pm

The Chair closed the meeting at 5:30pm and thanked all attendees for their participation.

**Signed:**           ...Office copy signed by Susan Smith .....

**Chair of Finance and Resources Committee**

**Date:**           .....19<sup>th</sup> June 2024.....