

**MINUTES OF THE POLICY AND RESOURCES COMMITTEE**  
**HELD ON MONDAY 16 MAY 2022**

**PRESENT:**

Paul Levet	Chair
Dr Fazal Dad	Principal and Chief Executive
Paul Morris *	Member
Arif Patel	Member

**IN ATTENDANCE:**

Nicola Clayton	Director: Business Development and External Engagement
Jennifer Eastham	Vice Principal: Finance and Corporate Services
Damian Stewart	Assistant Principal: Teaching and Learning (Technical Centre)
Rachel Tarplee	Assistant Principal: Teaching and Learning (Academic Centre)
Jean Tracy	Clerk to the Corporation

\* indicates attendance via Microsoft Teams

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Michael Lee and Steve Waggott.

**2. DECLARATION OF CONFLICTS OF INTEREST**

The Chair advised those in attendance that should members of the Policy and Resources Committee become aware of any potential conflicts of interest, they should be disclosed at the earliest opportunity during the meeting.

**3. MINUTES OF THE POLICY AND RESOURCES COMMITTEE MEETING HELD ON MONDAY 28 FEBRUARY 2022**

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 28 February 2022 as a true and accurate record, and these were duly signed by the Chair.

**4. MATTERS ARISING**

The Committee noted the updates on the actions from the previous meetings, as included in the agenda document. There were no other matters arising.

**5. DRAFT STRATEGIC PLAN 2022 – 2025, INCLUDING PROPOSED KEY MILESTONES**  
**(I) ACTIONS FROM THE STRATEGIC SEMINAR MID-YEAR REVIEW**

The Principal and Chief Executive introduced the Report, noting that the draft Strategic Plan had been updated to take account of the comments made at the Strategic Seminar Mid-Year Review held on 25 March 2022. The detail of the actions from the Mid-Year Review had been included in the papers.

The Vice Principal: Finance and Corporate Services presented the paper and provided an update on the changes which had been made, including the wording in “We will measure this by” sections against each strategic pillar. A document showing the tracked changes was available on request. The Committee was informed that the next stage was for consultations with staff and students before presentation to the Corporation Board for approval.

The Committee discussions covered the Key Performance Indicators (KPIs), the target for an increase in HE income, learner environment and sustainability, and partnership and collaboration, and also in order that the Committee was assured that these were realistic, yet challenging. The Committee also received information on how the relevant baseline figures would be calculated. It was **AGREED** that the College would give further consideration on how the measurement of key stakeholder collaboration initiatives and projects would be measured.

**Action: Director of Business Development and External Engagement**

Taking account of the comments as above, and noting possible amendments following the planned consultation with staff and students, Policy and Resources Committee **AGREED** to recommend the Strategic Plan 2022-2025, including the proposed Key Milestones to the Board for approval.

## **6. STRATEGIC PLAN 2019 – 2022 – ANNUAL OPERATING STATEMENT – PROGRESS UPDATE AS AT 30 APRIL 2022**

The Report provided the Committee with the third update and progress against the targets for 2021/22. The Committee noted the improvement in apprenticeship income and an explanation of the target for HE completion rates was provided by the Vice Principal: Finance and Corporate Services. Full details were provided in the appendices and were noted by the Committee.

## **7. MANAGEMENT ACCOUNTS, YEAR TO 31 MARCH 2022 AND REFORECAST**

The Vice Principal: Finance and Corporate Services presented the Management Accounts up to the period ending 31 March 2022.

The Committee noted that the current operating position was in line with budget and the risk that the favourable variance on delegated expenditure was not sustainable for the whole year. Cash balances remained healthy and the FE Commissioner metrics continued to be met.

The Committee was informed that the accounts to 30 April 2022 showed the College income as being slightly behind budget but that this was not a concern at this time. The Committee noted that the April accounts were not available at the time of upload to Committee members’ OneDrive folders.

The Report also provided information on the formal reforecast which had been undertaken and which set out a very small change in the planned operating surplus. The key variances were contained in the Report.

In answer to a question from a member of the Committee, the Vice Principal: Finance and Corporate Services provided information on the utility costs, on the process of forward fixing and on the appointment of an energy and sustainability co-ordinator. Information was also provided on the contribution percentage figures by curriculum area and on how areas with a higher percentage figure supported provision in areas where this was low – because of small student numbers, for example. The Committee was informed of the discussions which were taking place on the future provision of the College.

The Committee **AGREED** to recommend the Report to the Corporation Board for approval.

## **8. COLLEGE KEY PERFORMANCE INDICATORS 2021/22 - PROGRESS UPDATE**

The Committee considered the Report, noting the performance against each of the KPIs. The Committee was informed that the KPI covering the Adult Education budget had now been included in those KPIs as being under target, the Committee noting the information provided on the reasons for this and the actions being taken which would reduce the shortfall.

The Committee had previously requested clarification on the reasons for staff leaving the College. An update had been included in the 'Actions from Previous Meetings' section at the end of the Agenda document and in the HR report included in the agenda, and was noted by the Committee.

## **9. BUSINESS PLANNING UPDATE**

The Vice Principal: Finance and Corporate Services provided the background to the business planning process and informed the Committee of the increase in headline income following the increase in the funding rate from the ESFA, though noting that this did not offset the total shortfall in other areas, Higher Education, for example.

The Committee noted that only the usual minor staff restructuring was expected. It also noted the information on the draft budget for 2022/23 and that there were currently no concerns over the financial performance falling outside of the KPI, the FE Commissioner's metrics and the loan covenants.

Having considered the Report and the key issues detailed within it, it was noted that the content would be incorporated in the budget paper which would be presented to Policy and Resources Committee at its meeting on 20 June 2022.

## **10. SUBCONTRACTING ARRANGEMENTS 2021/22 – MID-YEAR REVIEW**

The Director: Business Development and External Engagement presented the paper which provided an update on the subcontracting arrangements.

As the College had last sub-contracted out in 2018, the ESFA had classified the College as a "first time subcontractor" which had required an audit certificate and audit report providing external assurance on the subcontracting controls of the College to manage subcontractors. The audit report had been received and would be presented to Audit Committee on 7 June 2022. The audit report had also been sent to the ESFA, though no comments had been received from them to date.

In answer to a question from a member of the Committee, the scope of the audit was explained and it was confirmed that no risks to delivery had been raised.

It was agreed that the following minute (in italics) would be classified as confidential, not for publication.

## **11. COMMERCIAL ACTIVITY 2021/22 TERMLY UPDATE**

The Director of Business Development and External Engagement provided an update on the Commercial Provision, including the areas of focus and External Funding bids. The Report also provided the Committee with examples of new business opportunities in development.

In answer to a question from a Committee member, information was provided on the external bookings of the University Board Room and on the ways in which this supported the local community and College partners.

## **12. POLICY AND RESOURCES COMMITTEE**

- **MEETING DATES 2022/23 AND 2023/24**
- **CALENDAR OF BUSINESS 2022/23**
- **TERMS OF REFERENCE FOR 2022/23**
- **PERFORMANCE AGAINST TERMS OF REFERENCE FOR 2021/22**

The Committee considered the Report and noted the information provided on members' attendance, including that this had been discussed with the Chair of the Committee and at Governance Panel meetings.

Having considered the Report, Policy and Resources Committee:

- (i) **APPROVED** the proposed meeting dates and the Calendar of Business for 2023/24, noting that the meeting dates for 2022/23 had been agreed previously.
- (ii) **AGREED** that its Terms of Reference remained fit for purpose.
- (iii) **AGREED** the commentary on its performance against Terms of Reference for 2021/22 and that this should be presented to Corporation Board for approval.

## **13. THE AGNES ECCLES ART AWARD FUND**

The Vice Principal: Finance and Corporate Services explained the background to the Report and confirmed that there would be no risk to the College in the proposed transfer of the management of the Fund to the College. In answer to a question from a member of the Board, the Vice Principal: Finance and Corporate Services confirmed that, from the information received to date, there was no requirement for there to be an external member on the Trust Board. Once all the relevant documentation has been received, the College would review all the paperwork to ensure that there were no issues going forward before requesting Board approval for the transfer.

**Action: Vice Principal: Finance and Corporate Services**

Subject to confirmation as above, Policy and Resources Committee **AGREED** to recommend to the Board:

- the transfer of the management of the Agnes Eccles Art Award Trust Fund to the College
- the appointment of the two new Trustees, noting that proposal that these be the Principal and Chief Executive and the Vice Principal: Finance and Corporate Services.

## **14. ESFA COLLEGE FINANCIAL HEALTH LETTER**

The Committee noted that the letter from the ESFA (dated 30 March 2022) confirmed the College's financial health grade, based on the published accounts, as 'outstanding', this being in line with management's assessment. The letter also confirmed that the ESFA had 'reviewed the College's audit financial statements, financial statements management letter and the annual report of the Audit Committee and had not identified any significant control concerns from this review'.

The latest financial dashboard for the College had also been included in the papers and was reflected the College very positively.

## **15. ORGANISATION DEVELOPMENT REPORT JANUARY TO APRIL 2022**

The Director: Business Development and External Engagement presented the Report which provided information on the Organisational Development data set for the period 1 January 2022 to 30 April 2022. The key issues identified within the Report were noted and included appraisal completion rates now being above target, that the staff satisfaction with staff development now stood at 100% and that mandatory training was currently on target at 98% completion.

**16. HUMAN RESOURCES UPDATE – 31 APRIL 2022**

The Report provided information on the core HR data set for the period 1 February 2022 to 30 April 2022. As requested by the Committee at its previous meeting, information on the main reason for leaving the organisation had been included (para. 6.3A).

**17. THE LANCASHIRE COLLEGES LIMITED – ACCOUNTS FOR THE YEAR ENDING 31 JULY 2021**

The Report on the Lancashire Colleges Limited Accounts for the year ending 31 July 2021 was received for information.

The Report provided detail on the income generated, the outturn and cash balances, including the reasons for the changes over the previous year. The deficit was noted to be significantly less than the previous year, this being due to increased income and reduced operating costs. It was again noted that plan had been requested for a number of years on how the cash balances would be utilised but this had not yet been presented.

**18. NET ZERO CARBON - UPDATE**

The Report provided Committee members with information on progress against the 31-step FE Climate Change Road Map, a copy of the Action Plan being included in the papers. The Committee noted that a number of projects were now underway across various aspects of the Plan.

**19. COLLEGE POLICIES UPDATE**

The Corporation Board had previously given delegated authority to Policy and Resources Committee to determine the employment policies to be adopted by the College and the scheme of delegation for their approval. It had also been agreed that a number of policies would be considered and approved by the College Policy and Procedures Committee, with an annual report being made to Policy and Resources Committee.

The Report updated Policy and Resources Committee on the HR and Organisational Development Policies and Procedures which had been amended or introduced between 1 March 2021 and 30 April 2022.

**20. ANY OTHER BUSINESS**

There were not items of any other business.

**21. REVIEW OF MEETING**

The Chair thanked Committee members for their contribution and discussions.

**22. DATE AND TIME OF NEXT POLICY AND RESOURCES COMMITTEE MEETING**

Monday 20 June 2022 at 5.00pm.

Signed: .....

Date: .....