

**MINUTES OF THE POLICY AND RESOURCES COMMITTEE**  
**HELD ON MONDAY 30 NOVEMBER 2020**

**PRESENT:**

Paul Levet	Chair
Dr Fazal Dad	Principal and Chief Executive
Michael Lee	Member
Paul Morris	Member
Arif Patel	Member
Roger Spensley	Member

**IN ATTENDANCE:**

Nicola Clayton	Director: Business Development and Employer Engagement
Jennifer Eastham	Vice Principal: Finance and Corporate Services
Jean Tracy	Clerk to the Corporation

The Chair welcomed colleagues to the meeting.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received and accepted from Professor Waqar Ahmed, Kathryn Lord and Steve Waggott. In particular, the reasons for absence of Professor Ahmed and Kathryn Lord were noted; and that both would be attending the March Committee and Board meetings.

**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 SEPTEMBER 2020**

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 28 September 2020 as a true and accurate record, and these would be signed by the Chair when able to do so (Covid-19 restrictions).

**4. MATTERS ARISING**

The Committee noted the updates against actions from previous meetings.

**5. ANTI-BRIBERY POLICY – ANNUAL REVIEW 2020**

Having considered the content of the Report and noting that no changes were proposed, Policy and Resources Committee **APPROVED** the Anti-Bribery Policy

**6. GIFTS AND HOSPITALITY POLICY REVIEW AND REGISTER OF GIFTS 2019/20**

In line with the College Gifts and Hospitality Policy, the Report contained information on the declarations made during 2019/20, it being noted that there had been none. The Committee reviewed the Policy, noting that no amendments were proposed.

Policy and Resources Committee **APPROVED** the Gifts and Hospitality Policy 2019/20.

## **7. GOVERNORS' EXPENSES POLICY 2020/21 AND ANNUAL REPORT 2019/20**

The Report provided a summary of Governors' expenses claimed over the 2019/20 financial year and that these had been paid in accordance with Charity Law and the Governors' Expenses Policy.

Having considered the report, Policy and Resources Committee **APPROVED** the Governors' Expenses Policy 2019/20 and noted the Governors' Expenses claimed in 2019/20.

## **8. COVID-19 – COLLEGE UPDATE – QUALITY, FINANCIAL, BUSINESS OPERATIONS**

As agreed by the Board at its meeting on 3 June 2020, the Report provided the Committee with an update on the impact of Covid-19 on College business.

The Report, which had also been presented to Learning and Quality Committee, provided information on the challenges in light of staff and students having to self-isolate and work from home. The Principal and Chief Executive confirmed that Government guidelines were being followed in that colleges should remain open and thus Business Support Staff, as well as Teaching Staff, were in College. Face coverings, the use of hand sanitizers and social distancing were all being enforced in College though instances where staff had not followed the guidelines had required a move to online learning. The Principal and Chief Executive informed the Committee that there had been a large demand for IT equipment necessary to enable dual learning.

Open Evenings, which had been face-to-face, were now being held virtually, in line with DfE and local Public Health recommendations.

The Committee was informed that 79 Apprentices had been furloughed and that this would have a negative impact on timely achievements. It was also noted that the DfE was keen that colleges could evidence that they are open and that students are attending, and that an announcement is awaited on the assessment plans in England.

In terms of the impact on recruitment, it was noted that full-time 16-18 numbers were broadly in line with College targets but that HE recruitment, particularly in Year 1, had not been met. Apprenticeship enrolments were currently broadly in line with target, though this would be affected by the current national lockdown. Robust marketing plans were in place to recruit new Apprentices from January 2021 onwards.

The Principal and Chief Executive then informed the Committee that, having received a letter from UCU in which 11 items of concern had been listed, a visit by Health and Safety England (HSE)<sup>1</sup> would take place the following day. The Principal and Chief Executive was disappointed with the UCU response, bearing in mind the number of special Covid-19 Health and Safety Committee meetings which had taken place. He informed the Committee that the UCU College Chair and the Unison Representative had unequivocally confirmed that they had not supported the report to the HSE. The Chair informed Committee members that he had been in conversation with the Vice Principal: Finance and Corporate Services and that he was happy with the steps being taken in College regarding Covid-19 health and safety.

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<sup>1</sup> The meeting had been very positive; no concerns had been raised.

It was noted that whilst the College could, and was enforcing social distancing, etc. on campus, it could not do so when students were off-campus. The Principal and Chief Executive informed the Committee of the work being undertaken with The Mall, and the Assistant Principal: Student Support and Engagement stated that the Council was appreciative of what the College was doing and that the Council had stepped up their own efforts in this regard.

#### **9. RECRUITMENT 202/21 UPDATE**

The Vice Principal: Finance and Corporate Services presented the Report which provided an update on the College's current recruitment of FE, HE, Apprenticeship and commercial students against target and the actions being taken to continue to recruit. Information on the current enrolment figures was provided to the Committee, the format having been changed to provide summary information in a grid. The Vice Principal: Finance and Corporate Services provided information on the latest figures which showed the improved recruitment of Apprenticeships.

#### **10. ESFA COVID-19 – NOVEMBER 2020 FINANCIAL RETURN**

The Committee was informed that the ESFA had advised that a financial return was required by the end of November 2020; this being a cash flow and associated commentary and as included in the papers. The financial return would enable the ESFA to monitor colleges, it being noted that a number were experiencing challenges in their finances. The Vice Principal: Finance and Corporate Services confirmed that there were no concerns regarding the College cash position.

#### **11. YEAR-END ACCOUNTS 2019/20**

The Committee received the Annual Report and Financial Statements for the year ended 31 July 2020. It noted the improved deficit figure to that reported to the Committee at its meeting on 28 September 2020. The accounts delivered financial health as Outstanding and met all three of the FE Commissioner's measures. Information on the compliance against loan covenants was noted, including the current position regarding Santander which had been impacted by the changes in the FRS102 pension deficit. The College was awaiting a formal letter to confirm that this covenant would be removed, this information having already been received via email.

A member of the Committee asked that wording relating to related party transactions and attendance statistics figures be reviewed and updated.

The Committee **AGREED** to recommend that the final audited version be presented to Corporation Board for approval and signature by the Chair of the Corporation Board and Principal and Chief Executive.

#### **12. FINAL MANAGEMENT ACCOUNTS 2019/20 INCLUDING FINAL UPDATE AGAINST BUDGET FOR 2019/20**

The Report provided information on the year-end financial results. The operating deficit compared well to the forecast outturn, given the number of challenges during the year which included under-recruitment and the impact of Covid-19.

The College had met all three of the FE Commissioner's financial ratios and the ESFA financial health autoscore would put the College as 'outstanding'. The information relating to the Santander loan covenant was as reported in the previous agenda item.

#### **13. MANAGEMENT ACCOUNTS – YEAR TO 31 OCTOBER 2020**

The Vice Principal: Finance and Corporate Services presented the Management Accounts up to the period ending 31 October 2020.

Performance against income targets was included in the Report. The Committee was advised that whilst the headline result was close to budget, there was a risk that the favourable variance on delegated expenditure was not sustainable for the whole year.

Policy and Resources Committee **APPROVED** the Management Accounts for the period ending 31 October 2020 for recommendation to the Corporation Board on 11 December 2020.

#### **14. COLLEGE KEY PERFORMANCE INDICATORS**

##### **(i) 2019/20 – UPDATE AT JULY 2020 - FINAL**

The Committee considered the information provided on the final outcome. Of the 23 Key Performance Indicators (KPIs), 11 were on target, 5 were on target in part, 6 were under target and 1 was no longer applicable. The table included 'direction of travel' and information was provided in the Report on the explanations and reasons for those KPIs which had not been met.

##### **(ii) UPDATE 202/21**

The Committee considered the first report on progress against the agreed targets for 2020/21.

Of the 23 Key Performance Indicators (KPIs), 5 were on target, 7 were on target in part, 3 were under target and 8 were not reportable. The table included 'direction of travel' and information was provided in the Report on the explanations and reasons for those KPIs which were under target.

The Committee noted that an analysis of sickness absence rates by protected characteristic had been included as an appendix to Item 23 – Human Resources Update.

#### **15. STRATEGIC PLAN 2019/2022 ANNUAL OPERATING STATEMENT**

- **FINAL POSITION FOR 2019/20**
- **PROGRESS UPDATE FOR 2020/21**

The Report provided the Committee with the final progress for 2019/20 and an initial update regarding progress towards the Strategic Plan targets for 2020/21. Full details were provided in the appendices. The Committee was informed that due to the impact of Covid-19 in 2019/20, a number of projects had not progressed as quickly as planned and that a number of KPIs had been severely impacted, the details being as per the Report.

A member of the Committee asked how the College monitored HE completion in-year and was informed that attendance was reviewed on a weekly basis. The Principal and Chief Executive also updated the Committee that the weekly meetings with the Assistant Heads which were held on a rota basis also looked at all aspects of individual student performance. The first semester exams would also be a useful comparator for the number of students expected to complete and for those in need of additional support.

#### **16. STRATEGIC PLAN – PROJECTS UPDATE**

The Report had been produced, as previously requested, to enable Governors to monitor the College's position against the additional ideas identified at the Governors' Strategic Seminar in November 2018. The Vice Principal: Finance and Corporate Services informed the Committee that the list had been shortened, those ideas which were covered elsewhere having been removed.

#### **17. FINANCIAL OBJECTIVES**

The Vice Principal: Finance and Corporate Services presented the Report which provided a review of performance against the Financial Objectives for 2019/20 and a request to agree the Financial Objectives for 2020/21.

The Committee was advised that in line with the Financial Planning Handbook issued by the Education and Skills Funding Agency (ESFA), all colleges should set clear Financial Objectives that supported the achievement of its Strategic Objectives, and to establish limits within which it should operate. As previously explained, the Financial Objectives were linked to the financial ambition statement in the Strategic Plan.

Four of the six Objectives had been met whilst two had not been achieved. Of these, one was within a reasonable tolerance but one had not been achieved because of a pension accounting adjustment that was outside the College's control. The Vice Principal: Finance and Corporate Services further advised the Committee that the current Financial Objectives remained 'fit for purpose' and it was proposed that they remained unchanged for 2020/21.

Policy and Resources Committee noted the performance against the Financial Objectives for 2019/20 and that no changes were being proposed for the Financial Objectives for 2020/21 and **AGREED** to recommend these to the Corporation Board for approval at its meeting on 11 December 2020.

## **18. ANNUAL REVIEW OF ACCOUNTING POLICIES**

The Committee reviewed the Accounting Policies, noting that there were no new accounting standards that would require any change to those adopted by the College. Amendments, some of which were as a result of external changes introduced by the Office for Students (OfS), were noted to be minimal and were as highlighted in the Appendix.

Policy and Resources Committee **APPROVED** the Accounting Policies as included in the papers.

## **19. FINANCIAL REGULATIONS**

The Vice Principal: Finance and Corporate Services presented a biennial update on the Financial Regulations that had been amended to reflect changes as detailed in the Report. These covered changes to Committee Terms of Reference, amendments to reflect Brexit, updated legislation titles, changes in the College structure or job titles and wording to reflect modern practices. A review of other sources documents had also taken place, namely the Accounts Direction, the Post 16 Audit Code of Practice, and the terms of reference for the Board and its Committees.

The Committee considered the amendment in 10.2 and 10.5 whereby all capital building projects over £100,000 (from £50,000) would be reported separately to Policy and Resources Committee.

The Policy and Resources Committee **APPROVED** the Review of the Financial Regulations and recommended these to the Corporation Board for approval at its meeting on 11 December 2020.

## **20. VALUE FOR MONEY REPORT 2019/20 AND PRIORITIES FOR 2020/21**

The Report updated Governors on the purchasing activities for 2019/20 and provided the priorities and objectives for cross-College procurement in 2020/21. The Committee noted the information provided on the top 20 suppliers by turnover in 2019/20 and on how Value for Money was achieved.

The Policy and Resources Committee **RECEIVED** the Value for Money Report 2019/20 and Priorities for 2020/21.

## **21. HEALTH AND SAFETY ANNUAL REPORT 2019/20**

The Vice Principal: Finance and Corporate Services presented the Health and Safety Annual Report for 2019/20 which provided information on key health and safety activities during the academic year. This included accident statistics, the Health and Safety Committee, personal

emergency evacuation plans (PEEPs), monitoring of risk assessments, audits and inspections, off-site trips and visits, occupational health surveillance and environmental monitoring, staff training, external events and legislative changes.

During 2019/20 (1 September 2019 – 31 August 2020) 104 incidents occurred in total, of which 82 were learners, 21 were employees and 1 was a visitor. One employee incident had been reported to the Health and Safety Executive (HSE). The Committee reviewed the data within the Report which provided a three-year comparison of incidents by type.

The Health and Safety Governor Champion wished to thank the Vice Principal: Finance and Corporate Services and the Health and Safety Manager, commenting that he had attended a number of the Health and Safety Committee meetings and had confidence in the Health and Safety systems operating in the College.

## **22. CONFLICT OF INTEREST POLICY**

The Clerk to the Corporation presented the paper which included detail on the purposes of the Conflict of Interest Policy and the draft Policy.

After consideration, Policy and Resources Committee **AGREED** to recommend the Conflict of Interest Policy to the Board for approval at its meeting on 11 December 2020.

## **23. HUMAN RESOURCES UPDATE – 31 OCTOBER 2020**

The Report provided information on the core Human Resources (HR) data set for the period 1 August 2020 to 31 October 2020. The key issues identified within the Report were considered and the following were noted:

- As at 31 October 2020, 781 staff (548 Full Time Equivalent (FTE)) were employed by the College on different contracts; the actual head count was 730. This was a reduction from the same point in the previous academic year, where the number of staff employed on different contracts had been 859 and the head count had been 796.
- The College population remained predominantly female (65%) which remained consistent compared to the same period in the previous year (64.29%) and sector norm of 63%<sup>2</sup>.
- The proportion of Minority Ethnic staff at the College currently stood at 18.57%, which was now stable compared to the previous year and end-of-year report.
- The proportion of staff with a declared disability increased to 9%; the College continued to welcome and support staff with declared disabilities, investing in occupational health support and the College Employee Assistance Programme.
- There was still a requirement for the College to continue its pursuit of taking on more apprenticeships as the under-20 age group remained under-represented. It was again noted that sector data (AoC 2019) indicated that apprentices accounted for only 1.3% of college sector employees.
- Annual staff turnover was 11.34%, which had remained stable compared to the 2019/20 end-of-year report. This was below the FE sector national norm of 18.2% (AoC 2019) and showed a significant reduction from last year (17.84%)
- Case Management had remained stable to that in the previous year with 7 new cases.
- The annual rolling absence rate stood at 4.48%. This was higher than the FE sector norm of 2.4% (AoC 2019) and the North West College sector norm of 3.1%. The absence rate for the three-month reporting period was slightly less at 3.89%. It was noted that there were higher instances of anxiety and mental health issues.
- Since the Report had been prepared, the Government had announced that the National Living Wage would increase to £8.91 and would be extended to 23 and 24 year olds for the first time.

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<sup>2</sup> AoC College Workforce Survey – Summary of Findings – 2017/18 (published 2019)

As requested by the Committee, an analysis of sickness absence rates by protected characteristic had been included as an appendix.

As also requested by the Committee at its last meeting, the Gender Pay Report 2020 had been included in the Report. The Committee noted that the data showed a reduction in the mean pay gap and that the Action Plan to further reduce the gender pay gap had been revised with updated timescales and actions to take account of Covid-19 and changes to the management structure.

#### **24. ORGANISATIONAL DEVELOPMENT REPORT 2020/21 – OCTOBER 2020**

The Head of Quality of Education presented the Report which provided an update on the Organisational Development (OD) activities for the period 11 August 2020 to 31 October 2020. The Report also provided an overview of progress to date in key development areas. The Committee noted the increase in the Continuing Professional Development (CPD) sessions and the work to be done to continue to develop new and better methods of engaging with staff in on-line training.

The Committee thanked the Head of Quality of Education for the update and noted the information provided.

#### **25. COMMERCIAL ACTIVITY 2020/21 – TERMLY UPDATE**

The Director of Business Development and External Engagement provided an update on the Commercial Provision and External Funding bids, noting that the Report had not been considered by any other Committee.

It was reported that income was slightly behind profile, in the main this being due to the current pandemic. The Report provided information on the steps being taken by the College to increase income including new provision, an increased on-line offer and marketing activity using all social media platforms. The Committee also noted that the College ran a well-established programme of focused networking events which provided further opportunities for business development and the opportunity for new clients and contacts.

The Committee also received a summary document which provided an update of the External Funding bids that had been secured, those which had been submitted and were awaiting an outcome and those which were in the process of being submitted.

The Chair thanked the Director of Business Development and External Engagement for the update and noted the information provided.

#### **26. GOVERNORS' STRATEGIC SEMINAR – KEY ACTION POINTS**

The Principal and Chief Executive reminded Committee members of the discussions which had taken place at the Governors' Strategic Seminar in which HE provision had been highlighted as being a critical item. Following on from the Seminar, the Principal and Chief Executive had prepared an initial scoping document on HE at Blackburn College over the next 5-10 years; this being presented to Learning and Quality Committee for consideration at its meeting on 26 November 2020. A further, more detailed paper, would be presented to Learning and Quality Committee at its meeting in February 2021 and then to the full Board.

#### **27. POLICY AND RESOURCES COMMITTEE TERMS OF REFERENCE**

The Clerk to the Corporation informed the Committee that an internal audit of the Governance Framework – Structure and Information Flow had taken place. The audit report provided 'substantial assurance' and contained two low-level recommendations, one of which related to the Committee's Terms of Reference.

Policy and Resources Committee considered the proposed addition of 'HE' in the reference 'To be abreast of the national policy context in which FE and HE operate' and **AGREED** to recommend this amendment to the Board for approval at its meeting on 11 December 2020.

## **28. RELATED PARTY TRANSACTIONS**

The Committee was reminded that there is a requirement under Financial Reporting Standard 8 (FRS9) that related party transactions between the College and a Governor or a related organisation are disclosed in the year-end annual report and financial statements. The Board would be asked to approve the related party transactions statement as part of its approval of the financial statements.

In answer to a question from a member of the Committee, the Vice Principal: Finance and Corporate Services explained how the actual incurred expenditure and earned income were arrived at; it was **AGREED** that the College would look at how this information was presented.

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

## **29. SENIOR POST HOLDER TRAVEL AND HOSPITALITY 2019/20**

The Committee noted the summary report on expenditure in respect of travel and hospitality for Senior Post Holders in 2019/20, noting that these had been approved in line with financial procedures and that detail of the travel and hospitality would be included in the Financial Statements.

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

The Committee was reminded that the College had been required to submit an additional Covid-19 Financial Plan in addition to the new Integrated Financial Model for Colleges. The ESFA had used an analysis of these returns and had released benchmarking data to the sector. The usual opinion regarding Financial Health had not been supplied by the ESFA.

The Committee noted the information provided in the report and in the summary of key measures against quartile position.

## **31. ANY OTHER BUSINESS**

As previously noted the increase in the National Living Wage had been announced. The Vice Principal: Finance and Corporate Services also informed the Committee that continued support to cover increased employer contributions to the Teachers' Pension Scheme (TPS) had been confirmed and that this would be funded until March 2022.

There were no other items of Any Other Business.

## **32. REVIEW OF MEETING**

The Chair thank Members present for their attendance and contribution at the meeting.

## **33. DATE AND TIME OF NEXT POLICY AND RESOURCES COMMITTEE MEETING**

Monday 1 March 2020 at 5.00pm.

Signed: .....

Date: .....