

MINUTES OF THE POLICY AND RESOURCES COMMITTEE
HELD ON MONDAY 17 MAY 2021

PRESENT:

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

IN ATTENDANCE:

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

The Chair welcomed colleagues to the meeting. He commented that he would be interested in members' views of how the meetings should be conducted once Covid restrictions had been relaxed, and whether this should be in College or via Teams. Members would be contacted at a later date, but could inform the Clerk now if they wished to do so.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Kathryn Lord, Steve Waggott, Andrew Pickles (Assistant Principal: Student Support and Engagement), Damian Stewart (Assistant Principal: Teaching and Learning (Technical Centre)) and Rachel Tarplee (Assistant Principal: Teaching and Learning (Academic Centre)).

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 1 MARCH 2021

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 1 March 2021 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 included in the agenda document.

5. CAPITAL PROJECTS UPDATE

The Vice Principal: Finance and Corporate Services presented the Report which included an update on the ESFA Further Education Capital Allocation Phase One Condition Fund.

An update on Phase Two, the Victoria Building refurbishment was also provided with Governors being reminded that the headline figure remained strictly confidential at this stage. The Committee noted that whilst progress was being made and that the DfE had publicly announced that the project had been selected for funding, the College did not have an indication of the contribution requested from the College or a firm contract.

In answer to a question from a member of the Committee on the risk to the College were the funding not be received, the Vice Principal: Finance and Corporate Services commented that, having made a public announcement, it would be very unusual for the DfE to pull out. However, were this to be the case, a back up plan was in place.

The Committee also considered the update on the Sixth Form Centre extension/remodelling which included the detail on the expansion of the project to cover the extension, the internal remodelling, the floating roof, the signage scheme and the external landscaping. The Committee noted the additional budget required from that agreed by the Committee in September 2020.

A member of the Committee requested information on whether there would be solar gain in the Sixth Form Centre and it was confirmed that this issue would be discussed with the contractors to ensure that the building was neither too hot nor too cold.

After consideration of the Report, Policy and Resources Committee **CONFIRMED** its continued support and **APPROVAL** for the enhanced Sixth Form project and the increased budget of up to £1m, noting that the College would be responsible for the day-to-day management of the project.

6. 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. Full face-to-face teaching had commenced from 8 March 2021. It was noted that the Lateral Flow Testing for staff and students had been closed and that home-testing kits were issued on request. The College take-up for 16-18 year old students was reported as being lower than the national benchmark and work was underway to reinforce the message and to improve the take up of home-testing.

The Committee noted the update on the Teacher Assessed Grades (TAGs) and on the timing of the A level and GCSE results. Information on the impact on the College Apprenticeship provision was again noted. Information on the latest financial impact and impact on recruitment for 2021 was provided in the Report.

The Chair asked whether face to face delivery had been affected by Covid case numbers. He was informed that there had been 328 total cases to date, only 28 since the start of January and 4 live cases – all students – in the previous week. A member of the Committee commented on the remarkable efforts in keeping the College open and infections down and asked if there were any changes to procedures in the College as a result of the spread of the Indian variant. The Principal and Chief Executive replied that the government guidelines had been reviewed and an email had been sent to all staff and students on Friday of the previous week which reinforced the College policy to continue with wearing face coverings/masks. This was also in line with guidance from the local authority. The College had also publicised the availability of surge vaccinations.

7. MANAGEMENT ACCOUNTS – YEAR TO 31 MARCH 2021 AND REFORECAST FOR 2020/21

The Vice Principal: Finance and Corporate Services presented the Management Accounts up to the period ending 31 March 2021.

The Committee noted the current operating position and the information on the areas where one-off income and costs were showing in year. These masked reduced income and costs and thus a reforecast column had been included in the Report which also covered the key variances on

income and expenditure. Current performance against the key performance indicators was noted, including that relating to the Debt Service Cover. Information on the key issues – income, pay costs, non-pay costs, contributions analysis and balance sheet and cash – was noted by the Committee.

Policy and Resources Committee **AGREED** to recommend the Management Accounts for the period ending 31 March 2021 to the Board for approval.

8. COLLEGE KEY PERFORMANCE INDICATORS 2020/21 – UPDATE AS AT 30 MARCH 2021

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

Of the 23 Key Performance Indicators (KPIs), 11 were on target, 2 were on target in part, 5 were under target and 5 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 Vice Principal: Finance and Corporate Services explained the change to the ESFA clawback percentage figure and confirmed that no clawback was forecast and that the core contract for 2021/22 would not be reduced.

A member of the Committee noted the information on HE income and asked about the strategic review of HE provision. The Vice Principal: Finance and Corporate Services confirmed that the current year's recruitment was close to target but that the mix of students was different to that planned and had thus resulted in a shortfall against income target. A paper on the review of HE provision would be considered by Learning and Quality Committee at its meeting on 17 June 2021.

9. ESFA FINANCIAL STATEMENT LETTER

The ESFA Financial Statement Letter had not yet been received and would therefore be presented to the Committee at its next meeting.

Action: Vice Principal: Finance and Corporate Services

10. STRATEGIC PLAN 2019-2022 – ANNUAL OPERATING STATEMENT – PROGRESS UPDATE AS AT 30 APRIL 2021

The Report provided the Committee with an update regarding progress towards the Strategic Plan targets for 2020/21, with full details being provided in the appendices.

Of the 25 Key Performance Indicators (KPIs) for 2020/21, 3 were on target, 10 were on target in part, 2 were under target and 10 were not yet reportable.

The Committee was again reminded 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.

11. 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. A new column had been added to the Report to indicate the status of the action and the RAG rating.

In answer to a question from a Committee member, the Director: Business Development and External Engagement confirmed that the College continued to look into a separate commercial arm, though at the current time, this would be part of the College overall budget line and not a separate entity.

The Director: Business Development and External Engagement also explained that the launch of the Digital Apprenticeship Service (DAS) enabled the College to manage apprenticeships and had removed the need for the College to consider buying a private training provider with a non-levy contract. (Page 4). The College was still open to buying a private training provider with commercial experience (Page 2) but no suitable opportunities had as yet presented themselves. The College was registered with a number of organisations and used its commercial networks in order to be aware of what was available.

12. ACCOMMODATION STRATEGY – PROGRESS UPDATE

The draft Accommodation Strategy for 2019-2022 had been presented to Policy and Resources Committee in March 2020 and was to have been presented to Corporation Board for approval. However, the lockdown and the subsequent delay to January 2021 in the appointment of the new Facilities and Estates Manager resulted in the Strategy not being presented to the Board for final approval.

The Strategy remained relevant and had now been refreshed (see Appendix 1). The Report provided the Committee with information on the significant amount of activity which had been undertaken. The Committee noted the information on the size and condition of each building within the campus. Specific information on the Saturn Centre and the timing/costs of a full fair value assessment was requested and provided at the meeting.

Having considered the Report, Policy and Resources Committee **AGREED** to recommend the Accommodation Strategy and update to the Corporation Board for approval.

13. BUSINESS PLANNING UPDATE – BUDGET 2021/22 HEADLINES

The Vice Principal: Finance and Corporate Services provided the background to the business planning process.

The Committee noted that the initial collation of data was showing that, with some realistic cost reductions, a small amount of money would be available to invest in the quality of provision (e.g. HE quality leads). Whilst there could be a small reduction in the number of staff, no major restructures were planned. The Committee also noted the information on the draft budget for 2021/22 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.

A member of the Committee referred to the planning by HE colleagues which showed a reduction in income for 2021/22 from that forecast for 2020/21. The Vice Principal: Finance and Corporate Services confirmed that the impact on subsequent years' funding had been taken into account.

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 21 June 2021.

14. COLLEGE POLICIES UPDATE

As requested by the Corporation Board in March 2019, the Report provided an update on any amendments to Human Resources and Organisational Development policies and procedures between 1 March 2020 and 30 April 2021 together with a summary of the approval processes undertaken.

Policy and Resources Committee noted the content of the Report and that unless there were major changes to the policies, the Report would in future be provided for information.

15. HUMAN RESOURCES

(i) HUMAN RESOURCES UPDATE – 30 APRIL 2021

The Report provided information on the core Human Resources (HR) data set for the period 1 February 2021 to 30 April 2021. The key issues identified within the Report were considered and the following were noted:

- As at 30 April 2021, 795 staff (553.28 Full Time Equivalent (FTE)) were employed by the College on different contracts; the actual head count was 736. This was a reduction from the same point in the previous academic year when the number of staff and actual head count were 823 and 769 respectively.
- The College population remained predominantly female (64%) which remained consistent compared to the same period in the previous year and sector norm of 63%¹.
- The proportion of Minority Ethnic staff at the College currently stood at 19.50%, which was now stable compared to the previous year and end-of-year report.
- The proportion of staff with a declared disability remained at 9%; the College continued to welcome and support staff with declared disabilities, investing in occupational health support and the College Employee Assistance Programme (EAP).
- 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 13.97%, which had remained stable compared to the same time last year. This was below the FE sector national norm of 18.2% (AoC 2019).
- Case Management remained consistent to the previous year with 7 new cases, as compared to 6 in the previous year.
- The annual rolling absence rate stood at 2.67% and was now in line with the FE sector norm of 2.4% (AoC 2019) and the North West College sector norm of 3.1%.

The figures relating to the ethnicity profile (Appendix, section 4a) of the College, the census data figures (published 2013) and the figures for those who were economically inactive were discussed. A member of the Committee offered to provide information which would assist the College in providing benchmarking data.

(ii) EMPLOYEE ASSISTANCE PROGRAMME ANNUAL UPDATE

As requested previously by the Committee, the Report provided an overview of the usage and take up of the Employee Assistance Programme (EAP) in the period 1 March 2020 to 28 February 2021.

The Committee noted the detail provided in the Report covering the range of assistance available, staff take up, the cost of the scheme and savings via the College Occupational Health Provider in counselling costs. The College confirmed that the scheme was well received, provided a valuable service for staff and was value for money.

After discussion, it was **AGREED** that unless there was significant change, the Employee Assistance Programme Annual Report would be provided 'for information'.

16. ORGANISATIONAL DEVELOPMENT PROGRESS REPORT

The Director: Business Development and External Engagement presented the Report which provided an update on the Organisational Development (OD) activities for the period 31 January 2021 to 30 April 2021. The Report also provided an overview of progress to date in key

¹ AoC College Workforce Survey – Summary of Findings – 2017/18 (published 2019)

development areas. The Committee noted the information provided on appraisal completion rates, and that this was now at 98% against a target of 95%.

The focus on Staff Development had been in relation to improving data accessibility and online/cyber awareness to safeguard both College systems and sensitive data from potential electronic attacks. The Committee noted the improvement in staff satisfaction with Staff Development – 94.5% from 75% (over the period of the Report).

The Staff Survey 2021 had been launched in April 2021. The results were being further analysed before presentation to the Committee/Board.

A member of the Committee welcomed the support for staff to achieve Masters and Doctorates but asked if achievement resulted in staff leaving the College. Whilst this was sometimes the case, the Committee noted that a learning contract was in place and that reimbursement of the cost of the programme had to be made for staff leaving before the end of the contract.

The Chair requested that the Director of Quality of Learning be thanked for his report.

17. SUBCONTRACTING ACTIVITY 2020/21 – MID-YEAR REVIEW

The Director: Business Development and External Engagement presented a Report on the Subcontracting arrangements for 2020/21.

As previously reported, the College did not and was not intending to 'subcontract out' during the 2020/21 academic year. The information provided on the current 'subcontract in' provision was considered by the Committee. The roll out of the Digital Apprenticeship Service began in January 2020 and the College was not funding new Apprentices through this route and, as previously advised, would not need to 'subcontract in' for Apprenticeships starts going forward.

18. COMMERCIAL ACTIVITY 2020/21 TERMLY UPDATE

The Director: 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 continued to be behind profile, in the main this being due to the current pandemic, particularly remote working in many sectors from March 2020. The Report provided further 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. It was noted that the College was looking at a professional facility within the College to further improve online delivery.

In answer to a question from the Chair, the Director: Business Development and External Engagement confirmed that whilst face-to-face delivery would increase, the College was targeting its marketing at those companies who would continue with staff working from home.

The Principal and Chief Executive confirmed that requests had been made by staff wishing to work from home. Whilst agreeing that the College needed to be agile and flexible, the provision of education required significant face-to-face delivery, this also being an expectation of Ofsted. The College would need to continue to look at delivery methods in the future.

19. POLICY AND RESOURCES COMMITTEE

- **MEETING DATES 2021/22 AND 2022/23**
- **ANNUAL CALENDAR OF BUSINESS 2021/22**
- **REVIEW OF TERMS OF REFERENCE FOR 2021/22 AND PERFORMANCE AGAINST FOR 2020/21**

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 for 2021/22 and 2021/22 and the Calendar of Business for 2021/22, noting that the latter would be amended to take account of the future reporting on the Employee Assistance Programme, as agreed earlier in the meeting.
- (ii) **AGREED** that its Terms of Reference remained fit for purpose, noting the update to the number of members as previously approved by Corporation Board.
- (iii) **AGREED** the commentary on its performance against Terms of Reference for 2020/21 and that this should be presented to Corporation Board for approval.

20. THE LANCASHIRE COLLEGES LIMITED ACCOUNTS FOR THE YEAR ENDING 31 JULY 2020

The Report on the Lancashire Colleges' Limited Accounts for the year ending 31 July 2020 was received for information.

The Lancashire Colleges Ltd was a Company Limited by Guarantee and the annual membership provided the College with access to wider scale funding bids and other partnership/consortium type arrangements.

The Report provided information on the income generated, the outturn and cash balances, including the reasons for the changes over the previous year. It was again noted that plan had been requested for a number of years on how that would be utilised but this had not yet been presented. A review of the staffing structure at The Lancashire Colleges was required to ensure that costs reduced to within the income generated. Further reviews were also underway regarding its legal structure and focus.

21. ANY OTHER BUSINESS

There were no items of Any Other Business.

22. REVIEW OF MEETING

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

23. DATE AND TIME OF NEXT POLICY AND RESOURCES COMMITTEE MEETING

Monday 21 June 2021 at 5.00pm.

Signed:

Date: