

MINUTES OF THE POLICY AND RESOURCES COMMITTEE
HELD ON MONDAY 29 NOVEMBER 2021

PRESENT:

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

IN ATTENDANCE:

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

The Chair welcomed colleagues to the meeting.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Kathryn Lord and Damian Stewart.

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 27 SEPTEMBER 2021

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 27 September 2021 as a true and accurate record, and these were signed by the Chair.

4. MATTERS ARISING

The Committee noted that the action from the previous meeting, as included in the agenda document, was not yet due. There were no other matters arising.

5. SUBCONTRACTING ACTIVITIES 2021/22

The Director: Business Development and External Engagement presented the paper which covered the detail of the approval requested, the requirements in terms of due diligence and the expected aims of any subcontracting. In answer to a question from a member of the Committee, the Director: Business Development and External Engagement confirmed that in principle approval was being sought now to provide flexibility for the College, and that a particular provider had not already been identified. It was also confirmed that any subcontracting activity would complement the College's current provision and that any future subcontract provider would need

to be listed on the Register of Training Organisations. The College also explained that the rules relating to subcontracting were being tightened further in the next year and that the number of subcontracts would reduce. The College would also need to ensure that the delivery of any subcontracts was of a high quality. The Committee also received confirmation that the approval being requested was within its Terms of Reference.

Having considered the Report, Policy and Resources Committee **APPROVED** in principle for College Management to enter into discussion regarding subcontracting to the value of £400,000.

6. SALARY SACRIFICE SCHEMES

The Vice Principal: Finance and Corporate Services presented the Report which provided an overview on an Electric Vehicle Car Salary Sacrifice Scheme (EVCSSS), together with the benefits of and risks to the College of such a scheme.

A member of the Committee asked and received confirmation that the Scheme related to electric and not hybrid vehicles and a discussion took place on the staffing levels required in its delivery. The Committee member had been involved in the planning of an EVCSSS and a conversation between the Committee member and College staff would be useful.

The College was also asked to ensure that the pension element of an EVCSSS was communicated to staff. It was noted that such schemes may be added to the approved schemes for pension providers in the future.

The Committee **APPROVED**, in principle, the introduction of an Electric Vehicle Car Salary Sacrifice Scheme.

7. ANTI-BRIBERY POLICY – ANNUAL REVIEW 2021

Having considered the content of the Report and noting that no changes had been made since its last approval, Policy and Resources Committee **APPROVED** the Anti-Bribery Policy 2021/22.

8. GIFTS AND HOSPITALITY POLICY REVIEW AND REGISTER OF GIFTS 2020/21

In line with the College Gifts and Hospitality Policy, the Report contained information on the declarations made during 2020/21, 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 2021/22.

9. RECRUITMENT 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.

The College was asked for and provided information on the rationale for the introduction of the Pre-Diploma for Access to Higher Education courses, and on the actual recruitment of additional learners from St Mary's College.

10. ESFA FINANCE RECORD

As part of the accounts direction, the College was required to submit the accounts to the ESFA in an excel spreadsheet called the Finance Record Return by 31 December 2021. The key elements of the Finance Record Return were included in the papers and the Vice Principal: Finance and Corporate Services confirmed that the Return exactly matched the accounts which would be considered later in the meeting.

The Committee **AGREED** to recommend the submission of the Finance Record to the ESFA, to Corporation Board for approval at its meeting on 15 December 2021.

11. ANNUAL REPORT AND FINANCIAL STATEMENTS 2020/21

The Committee received the Annual Report and Financial Statements for the year ended 31 July 2021. The Committee noted that the actual surplus was in line with the information provided to the Committee at its meeting on 27 September 2021 and that the accounts delivered financial health as Outstanding and met all three of the FE Commissioner's measures.

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.

The Vice Principal: Finance and Corporate Services and her team were thanked for their outstanding work.

12. MANAGEMENT ACCOUNTS TO 31 JULY 2021

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

The Committee noted the final operating surplus for the year, which given the challenges of recruitment, Covid-19 and pension valuation compared well to the budget reforecasts and out-turn presented to Governors through the academic year.

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

13. MANAGEMENT ACCOUNTS, YEAR TO 31 OCTOBER 2021

The Vice Principal: Finance and Corporate Services presented the Management Accounts up to the period ending 31 October 2021, this being the first report of the year. The Committee was reminded that future reports would show a more accurate position, the figures being based on actuals.

Performance against income targets was included in the Report together with information on the management account key issues. 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. The Committee noted the work being undertaken to improve the contribution rates, particularly in relation to the University Centre.

Policy and Resources Committee **APPROVED** the Management Accounts for the period ending 31 October 2021 for recommendation to the Corporation Board on 15 December 2021.

14. FINANCIAL OBJECTIVES

The Vice Principal: Finance and Corporate Services presented the Report which provided a review of performance against the Financial Objectives for 2020/21 and a request to agree the Financial Objectives for 2021/22.

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 out clear Financial Objectives that supported the achievement of its Strategic Objectives, and to establish limits within which it should operate.

Five of the six Objectives had been met and one had not been achieved because of a pension accounting liability that was outside the College's control. The Vice Principal: Finance and

Corporate Services advised the Committee that the current Financial Objectives remained largely 'fit for purpose'. However, it was proposed that the target current ratio in Objective Two should be revised to a minimum of 1.2:1, which was achievable under the current financial plan.

Policy and Resources Committee noted the performance against the Financial Objectives for 2020/21, the Financial Objectives and the proposed change to Objective Two for 2021/22 and **AGREED** to recommend these to the Corporation Board for approval at its meeting on 15 December 2021.

15. STRATEGIC 2019-2022 – ANNUAL OPERATING STATEMENT

- **2020/21 FINAL ACTUALS**
- **2021/22 PROGRESS AS AT 31 OCTOBER 2021**

The Report provided the Committee with the final progress for 2021/22 and an update on the targets for 2021/22. Full details were provided in the appendices and were noted by the Committee.

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 a previous Governors' Strategic Seminar. The Committee noted that the list was a shortened version to that previously presented, all ideas that were covered elsewhere having been removed.

17. COLLEGE KEY PERFORMANCE INDICATORS

(i) 2020/21 – UPDATE AT JULY 2021 (FINAL)

The Committee considered the information provided. Of the 23 Key Performance Indicators (KPIs), 17 were on target, 1 was on target in part, 4 were under target and 1 was not yet reportable. Information was provided in the Report on the explanations and reasons for those KPIs which were under target.

(ii) 2021/22 – UPDATE

The Committee considered the Report, noting the performance against each of the KPIs. A new KPI covering staff completion of mandatory training had been added, the Committee noting the work being done to ensure all staff have completed the training on 'keeping children safe in education'.

A member of the Committee noted a similar increase in staff turnover at his place of employment, in part as a result of lower turnover during the main pandemic period. The Committee had previously discussed the KPIs relating to HE and performance against these would continue to be monitored.

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 were noted to be minimal, none having any impact on the financial stability of the College, and were as highlighted in the Appendix.

Policy and Resources Committee **AGREED** to recommend the Accounting Policies for the 2020/21 Financial Statements to the Corporation Board for approval.

19. NET ZERO CARBON – UPDATE

The Vice Principal; Finance and Corporate Services presented the Report which provided Committee members with information on the DfE draft sustainability and climate change strategy for education which identified the need for action in four areas – climate education, green skills and jobs, learning from and connecting to nature, and buildings. The College would be following the 31-step FE Climate Change Road Map, a copy of the Road Map and the College Action Plan being included in the papers.

A discussion took place on the plan to bring the proposed College targets to the February 2022 meeting. A member of the Committee commented that in order to be able to do so, the College would need to have collected a large amount of information and therefore asked that the College consider a delay in publishing targets for carbon reduction.

The College acknowledged the expertise required and informed the Committee that it was in discussion with the Council and the Association of Colleges (AoC) on how the 30-Year Road Map would be progressed. A member of the Committee extended an invitation for the Hospital Trust to also work with the College. Resources implications of implementing the Road Map were also noted.

The role of a Net Carbon Zero/Sustainability Governor Champion was proposed. Paul Morris and Arif Patel were asked if either would consider taking on this role; this would be greatly appreciated.

20. HUMAN RESOURCES UPDATE – 31 OCTOBER 2021

The Report provided information on the core HR data set for the period 1 August 2021 to 31 October 2021. The key issues identified within the Report were discussed in detail.

A discussion on staff turnover also took place and covered the positive change in attitudes and motivation which had in some cases, resulted in staff looking for employment elsewhere. The College confirmed that there was not a trend in those leaving. The benefits and risks for the College in home working were also discussed.

21. ORGANISATIONAL DEVELOPMENT REPORT 2020/21 – AUGUST-OCTOBER 2021

The Director: Business Development and External Engagement presented the Report which provided information on the Organisational Development data set for the period 1 August 2021 to 31 October 2021. The key issues identified within the Report were noted and included the impact on the overall completion rate for mandatory training of the introduction of an update to the Keeping Children Safe In Education legislation. The Committee also noted the proposed theme in the year's organisation plan and the work to ensure staff access to industry upskilling, this latter having been impacted by the pandemic.

22. UPDATE ON HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT STRATEGY 2018-2022

The Committee noted the re-prioritisation of tasks and responsibilities as a result of the May 2020 structural changes. A summary of the progress made in relation to each of the eight key areas of focus was included, the detail being included in the Appendix.

The Committee noted that consultation would begin on the content of new, separate HR and OD strategies which would be submitted for approval by the Board.

23. COMMERCIAL ACTIVITY 2021/22 – TERMLY UPDATE

The Report provided the Committee with an update on the commercial activity for the term. The Director: Business Development and Employer Engagement also provided further information on the outcome of a number of bids since the Report had been written.

24. GOVERNORS’ STRATEGIC SEMINAR – SUMMARY OF ACTION POINTS

The Principal and Chief Executive’s Report provided information on the action points arising from the discussions at the Governors’ Strategic Seminar. A number of recent announcements in relation to T levels would be taken into account and a report would be presented in March 2022, with the final paper being presented to the Board for approval at its meeting in July 2022.

Action: Principal and Chief Executive

25. RELATED PARTY TRANSACTIONS

The Committee was reminded that there was a requirement under Financial Reporting Standard 8 (FRS8) that related party transactions between the College and a Governor or a related organisation were 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.

26. ESFA COLLEGE FINANCIAL HEALTH LETTER

The Committee was reminded that the College had been required to submit a College Financial Forecasting Return (CFFR) for the years 2021 to 2023, this replacing the Integrated Financial Model for Colleges (IFMC) which had been introduced in the previous year.

Based on the forecasts, the model generated an auto-score of ‘Outstanding’ financial health for all years. A letter from the ESFA (dated 25 October 2021 and included in the papers) confirmed this rating for both 2020/21 and 2021/22 financial years.

Information on the upper and lower quartiles for the sector and the College’s position in relation to these was provided, the Committee noting the impact of the investment made in the Campus MasterPlan on the borrowing as a % of income.

27. CHANCELLOR’S AUTUMN BUDGET AND SPENDING REVIEW

The Report, received for information, provided the Committee with an update on the College of the Chancellor’s autumn budget and spending review.

28. ANY OTHER BUSINESS

There were no items of Any Other Business.

29. REVIEW OF MEETING

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

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

Monday 22 February 2022 at 5.00pm.

Signed:

Date: