

MINUTES OF THE POLICY AND RESOURCES COMMITTEE
HELD ON MONDAY 28 NOVEMBER 2022

PRESENT:

Paul Levet	Chair
Dr Fazal Dad	Principal and Chief Executive
Fran Crossland	Member
Michael Lee	Member
Paul Morris*	Member
Arif Patel	Member
Steve Waggott*	Member

IN ATTENDANCE:

Nicola Clayton	Director of Business Development and External Engagement
Jennifer Eastham	Vice-Principal: Finance and Corporate Services
Rachel Tarplee	Vice-Principal: Curriculum and Quality
Sarah Horeesorun	Director of Governance

* indicates participated via Microsoft Teams

The meeting commenced at 5pm, with Steve Waggot joining at 5.05pm.

The Chair welcomed everyone and extended a special welcome to Fran Crossland as it was Fran's first attendance at a Policy and Resources Committee meeting. For the benefit of Fran there were roundtable introductions from all present.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received in advance from Khadija Ibrahimova the FE Student Governor.

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 26 SEPTEMBER 2022

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 26 September 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. **MANAGEMENT ACCOUNTS**

(i) Management Accounts to 31 July 2022 (FINAL)

The Vice-Principal: Finance and Corporate Services presented the Report and explained to the Committee that these accounts were the final version and that they had only changed marginally from the pre-finalisation version presented to the Committee in September.

The Income and Expenditure position was summarised in the Report and detailed analysis supplied in Appendix 1.

(ii) Management Accounts to 31 October 2022 and budget monitoring update

The Report and supporting information highlighted the current operating position. The Vice-Principal: Finance and Corporate Services talked members through the current position.

The Committee was reassured that the shortfalls were being effectively managed, noted the content of both Reports and **AGREED** that the Reports be recommended to the Board for approval.

6. **ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/22**

The Annual Report and Financial Statements are a historic presentation of the year end position. In addition to Management Accounts, the Annual Report and Financial Statements also included commentary on performance developments throughout the year, plus risk and Corporate Governance information.

The Vice Principal: Finance and Corporate Services presented the Report and outlined to the Committee that the content of the Annual Report and Financial Statements had previously been reported to the Committee through the Management Accounts, and explained that the attached document, was a standardised, statutory document completed by all FE and HE institutions and would, eventually, be made available in the public domain.

In explaining the necessary process, prior to the document going to the Corporation Board for approval, the Vice-Principal: Finance and Corporate Services said that the Colleges' External Auditors, Beever and Struthers, had audited the Financial Statements and did not report any errors. They reported to the Audit Committee on 22 November 2022 and were completing their final review in order to present their overall audit opinion to the Corporation Board on 9 December 2022.

The Committee noted that the accounts delivered an 'Outstanding' financial health as measured by the ESFA and FE Commissioner criteria and **AGREED** to recommend the Annual Report and Financial Statements 2021/22 to the Board for approval.

7. **RELATED PARTY TRANSACTIONS AND REGISTER OF INTERESTS**

As part of the Financial Statements, the College is required to Report on any transactions between the College and a Governor or related organisation. This is part of the Financial Reporting Standard 8, the Committee's Scheme of Delegation and is an obligation for all Governors to declare any conflicts of interest.

The Committee noted the content of the Report and transactions listed in Appendix One and **AGREED** this be recommended to the Corporation Board for approval.

8. ESFA FINANCE RECORD

The Vice-Principal: Finance and Corporate Services explained to Committee members that the information in Appendix 1 of the Report was actually the same as the information within the Management Accounts. It was presented differently as the ESFA, as part of their account's direction, require the accounts information to be submitted in an Excel spreadsheet called the Finance Record Return.

The Committee was assured that the data within the Appendix was consistent with that in the Financial Statements (at Item 6) and **AGREED** to recommend the Finance Record for 2021/22 to the Corporation Board for approval.

9. BIENNIAL REVIEW OF FINANCIAL REGULATIONS

The Vice Principal: Finance and Corporate Services introduced the Report and explained the Financial Regulations and procedural responsibilities. The Financial Regulations set the control environment under which the College's finances are operated and governed. These are reviewed biennially to reflect any regulatory changes and, in this instance, the very minor changes to Committee Terms of Reference, updated legislation titles, College job titles and the wording to reflect modernised working practices.

The Committee noted that there were no changes to the Financial sign-off limits and accepted the proposed minimal changes as highlighted in the Appendix. The Committee **AGREED** to recommend the Report to the Corporation Board for approval.

10. REVIEW OF FINANCIAL OBJECTIVES

Governors had agreed the Financial Objectives for 2021/22 in November 2021 and it was timely that these be reviewed ahead of agreeing them for 2022/23.

The Committee considered the content of this Report and reviewed the College's performance against the Financial Objectives for 2021/22 noting the adjusted operating ratio. The Financial Objectives had been met and remained fit for purpose, with a slight amendment to the wording for surplus as indicated in the Report.

The Committee noted and **AGREED** the performance against the Financial Objectives for 2021/22 and would recommend this to the Corporation Board for approval.

The Chair and Vice-Principal: Finance and Corporate Services explained to members that they were in talks regarding the finer detail of the Financial Objectives for 2022/23 and would share these with the Committee at the next meeting.

Action: Vice- Principal: Finance and Corporate Services

11. ANNUAL REVIEW OF ACCOUNTING POLICIES

The Accounting Policies provide the framework used in the preparation of the College's year-end accounts and are included as the statement of accounting policies with the Financial Statements.

The Committee has delegated responsibility for monitoring the College's financial position and, as such, was asked to review the accounting policies included with the Report at Appendix 1.

The Committee noted that there had been no new accounting standards that would require any change to the accounting policies adopted by the College and that only minimal changes were proposed – those having no impact on the financial stability of the College.

The Committee **AGREED** to the recommendation of this report to the Board for approval of the proposed changes to the Accounting Policies for the 2021/22 Financial Statements.

12. ANTI-BRIBERY ANNUAL REVIEW AND UPDATE

The Committee considered the College's current Anti-Bribery Policy and noted that there were no proposed changes to the version approved last year.

The Committee agreed that the Policy remained current, pertinent and represented the expectations of behaviour for those connected with the College.

A member asked if there had been any instances that fell within this policy and the Vice-Principal: Finance and Corporate Services reported that there had been no instances flagged in the last year that College is aware of. The Anti-Bribery policy is just one of a suite of policies falling under the overarching 'Counter Fraud' action plan discussed at the Audit Committee on 22 November. A member offered to share the NHS Counter Fraud strategy with the College.

Action: Director of Governance

Under its Scheme of Delegation, the Committee **APPROVED** the College's Anti-Bribery Policy.

13. CONFLICTS OF INTEREST POLICY

The Director of Governance introduced this item and explained that the Conflicts of Interest declarations completed by Senior Managers, budget holders and Governors on an annual basis, informed the College's central Register of Interests.

The Committee noted that there were no substantial changes proposed to the policy, with only minor changes to job titles and in reference to the revised Data Protection Act 2018.

The Committee **AGREED** to recommend the Conflicts of Interest Policy with proposed changes to the Corporation Board for approval.

14. ANNUAL REPORT ON GIFTS AND HOSPITALITY 2021/22 INCLUDING REVIEW OF POLICY

The College's Gifts and Hospitality Policy is presented each year for its annual review by the Committee and is usually accompanied by the register of gifts and hospitality received during the year. During 2021/22 there were no gifts or hospitality declared, so the register not supplied on this occasion.

The Committee noted that there were no instances or gifts or hospitality declared in 2021/22.

There were only minor changes to the policy in terms of amendments to job titles.

The Committee **APPROVED** the Gifts and Hospitality Policy for 2022/23.

15. HE TUITION FEES

The Vice-Principal: Finance and Corporate Services introduced this item and reminded Committee members of the substantial discussion of HE Tuition Fees at the last meeting on 26 September 2022.

The proposed fees were set out in a table providing past, current and proposed fees. The Vice-Principal: Finance and Corporate Services explained that in reviewing the proposed fees, management had completed a benchmarking exercise comparing other institutions and that the revised fees were neither the lowest or the highest.

The Committee acknowledged that with the increasing energy costs and cost of living crisis all institutions would be faced with the same dilemma, to either increase student numbers or increase their fees.

Redacted content.

The Committee accepted that it was a challenge, and having explored the issues and reviewed the proposed fees, **APPROVED** the HE tuition fees for 2024/25.

16. PEOPLE STRATEGY

The Committee reviewed the proposed draft that had previously been considered by the College Leadership Team. The Vice-Principal: Finance and Corporate Services sought comments from the Committee to shape the final document before presentation to the Corporation Board in December.

In their review of the draft 'operating statement' members commented that it was a work in progress and lacked emphasis on collaborative working, system leadership and working collectively to find solutions. The Committee agreed that, from the headlines, it was heading the right direction and suggested that specific measures, targets and reviews be included.

It was felt that more work was needed doing on the draft People Strategy before presenting it to the Corporation Board and that maybe it should come back to the next Committee meeting.

Action: Vice-Principal: Finance and Corporate Services

17. CODE OF PRACTICE ON FREEDOM OF SPEECH

To ensure continued compliance with the Code of Practice on Freedom of Speech, the Committee conducted its annual review. There were no changes since this was last approved on 15 December 2021.

A member asked whether the College had ever had to challenge a guest speaker about the content of their presentation. The Vice-Principal: Curriculum and Quality confirmed that the College requested copies of presentations in advance and were certain to ensure that the expected standards and laws upheld.

The Committee **AGREED** to recommend the Code of Practice on Freedom of Speech to the Board for approval and the continued adoption by the College.

18. STUDENT RECRUITMENT – UPDATE 2022/23

The Report provided an update on the College's current recruitment of students against target.

Redacted content.

The Committee noted the content of the Report.

19. STRATEGIC PLAN – ANNUAL OPERATING STATEMENT

The Report provided the Committee with the final position on the measures and targets within the Strategic Plan for 2019-22 at 31 July 2022, and also the proposed targets for 2022/23.

The Committee had seen the draft version of this Report and there had been no changes in this final Report with:

- 8 of the targets fully met
- 8 partially met
- 5 under target
- 4 not yet reportable

The new Strategic Plan for 2022-25 and supporting operating statement with actions and targets had been considered by the Corporation Board in October 2022. The requested amendments had been made and the Committee noted the proposed targets and action for 2022/23.

The Committee **AGREED** to recommend the updated versions to the Board for approval.

20. COLLEGE KEY PERFORMANCE INDICATORS (KPIs)

(i) KPIs 2021/22 Final

The Vice-Principal: Finance and Corporate Services presented the Colleges' high-level KPI Report highlighting the final 2021/22 performance on the Policy and Resources Committee linked indicators.

The Committee routinely monitors these KPIs as a standing agenda item and there were, therefore, no surprises in the final Report.

Reacted content.

(ii) KPIs 2022/23 – as at 31 October 2022

This Report and its attachment listed the KPIs for 2022/23, together with the final data for 2021/22 and 2019/20.

The Committee found it useful to have the comparative data and noted the snapshot on progress to date. These will be monitored at each Committee meeting.

The Committee noted the KPI performance highlighted in the Reports and recommended them to the Board for approval.

21. HUMAN RESOURCES (HR) UPDATE AS AT 31 OCTOBER 2022.

The Report provided the Committee with an update on HR related issues for the period 1 August 2022 to 31 October 2022.

The Vice-Principal: Finance and Corporate Services explained the huge challenges that had come about after the announcement of the increased National Living Wage, the impact of which, was widespread and effecting organisations everywhere. The College was working through staff and teams to assess the impact and would report back at the next meeting.

Action: Vice-Principal: Finance and Corporate Services

A member queried why only 11 out of 44 leavers had received an exit interview to which the Vice-Principal: Finance and Corporate Services replied that all leavers are offered an exit interview, but

some do not wish to take up the offer. In the discussions that followed it was thought that it might be useful to increase the options for exit interviews for those staff leaving – maybe instigating this process earlier, before staff leave, and offering the opportunities to complete a survey or have a face to face conversation on departure to support the staff and identify any emerging trends.

Action: Vice-Principal: Finance and Corporate Services

The Chair enquired if staff had the option to work from home and the Principal and Chief Executive took this opportunity to update the Committee on the progress of developing the Colleges' 'Agile Working' policy, explaining that working from home had health and safety implications. There followed discussion of why different roles required different ways of working, for example, a Teacher and a business support role where one might be easier than the other to deliver effectively from home. The Committee recognised the challenge in assessing the needs on an individual basis depending on the needs of the organisation, that every team is different and the need for equity.

The Principal and Chief Executive informed the Committee that there would be an Executive Planning day on 8 December when the Agile Working Framework/guidance would be discussed and plans put in place to have this agreed by the end of this academic year. An update would be provided to the Committee at the next meeting.

Action: Principal and Chief Executive

This Report would be shared with the Corporation Board for information.

22. COMMERCIAL ACTIVITY 2022/23 TERMLEY UPDATE

The Director of Business and Employer Engagement talked the Committee through this Report highlighting:

- Success in the OfS capital and Strategic Development Fund bids
- Focus on Blackburn College Trades Centre, Leadership and Management Programmes and Health and Social Care provision
- External promotional activity and focused networking events
- Developing new business opportunities
- Challenges around Commercial activity and currently below income target

The Committee acknowledged the many and varied bids that the College is involved in and as detailed in the External Funding summary sheet attached to the Report.

The Chair asked if there were signs that the Commercial activity was picking up to which the Director of Business and Employer responded that the Hybrid Electric Automotive Training (HEAT) project and Health were improving, but that areas such as Beauty were impacted quite sharply by the cost of living crisis and lack of disposable income.

The Chair thanked the Director of Business and Employer Engagement for her Report.

23. NET ZERO CARBO – UPDATE

The report highlighted progress towards the Government's Net Carbon Zero targets.

The new Health, Safety and Environment Manager was quickly getting established and identifying areas for improvement, for example, in monitoring energy and waste usage.

Other highlights included:

- Sustainability Working group met in early November and were being creative in ideas to make a difference
- Engagement with Blackburn with Darwen People's Jury on Climate Change
- New recycling bins
- Sustainability staff survey to be launched

An update regarding the priorities and progress was included in Appendix 1.

Members noted the content of the Report.

24. ESFA COLLEGE FINANCIAL HEALTH LETTER

This letter was shared for information and provided the Committee with assurance regarding the College's Financial Health. Based on the forecasts, the College Financial Forecasting Return generated an auto-score of 'Outstanding' financial health and this was concurred by the ESFA.

25. OFFICE FOR NATIONAL STATISTICS (ONS) – RECLASSIFICATION OF COLLEGES

The Vice-Principal: Finance and Corporate Services informed the Committee that the outcome of the ONS Review into the reclassification of Colleges from Private to Public Sector would be announced the following day – Tuesday 29 November.

26. ANY OTHER BUSINESS

There were no items of any other business.

27. REVIEW OF MEETING

The Chair thanked Committee members for their contribution and discussions. He offered particular thanks to the Vice Principal: Finance and Corporate Services.

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

Monday 27 February 2023 at 5.00pm.

The Committee then considered the Part II agenda items – minutes recorded below.

Signed:

Date: