



**MINUTES OF THE POLICY AND RESOURCES COMMITTEE**  
**HELD ON MONDAY 28 SEPTEMBER 2020**

**PRESENT:**

Paul Levet	Chair
Dr Fazal Dad	Principal and Chief Executive
Michael Lee	Member
Paul Morris	Member
Roger Spensley	Member
Steve Waggott	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. He wished to acknowledge the hard work of the Principal and Chief Executive and the Vice Principal: Finance and Corporate Services, particularly in relation to Covid-19, recruitment and the potential to take on students from St Mary's College. He noted that all three topics would be discussed during the meeting.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Professor Waqar Ahmed, Kathryn Lord and Arif Patel.

**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 22 JUNE 2020**

the Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 22 June 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. CAPITAL EXPENDITURE 2020/21**

The Report provided the Committee with detail on the proposed allocation of capital funding for 2020/21 and an update on the final position for 2019/20.

The Committee was reminded that the 2020/21 budget included planned capital expenditure of £1.5m for buildings and equipment to support the student experience, this being an increase of £0.5m on the previous year's plans. It was the College's intention that this be split between

equipment and minor works and a bigger project, details of which were contained in the Report and considered by the Committee. The College would receive c. £900k grant under the further education capital allocation. The allocation had to be spent by 31 March 2021 and be linked to the FE Condition Data Collection survey report.

The Committee requested that College management staff and students in that area be involved when the extension to the Sixth Form Centre moved from concept. The College was also asked to be mindful of the flat roof specification of that area.

The Committee noted the information relating to the Blakey Moor building and Blackburn Sport and Leisure Centre.

The Vice Principal: Finance and Corporate Services confirmed that the projects were affordable without risking the College's financial health or financial stability and without additional borrowing.

Having considered the Report and noting the comments above, Policy and Resources Committee **APPROVED** the spend of the headline capital allocation of £1.5m for 2020/21 and specifically the Sixth Form Centre extension (estimated cost of £615k inc. VAT) for recommendation to the Board.

## **6. (i) TUITION FEE POLICY AND COLLEGE FUNDED BURSARY AND SCHOLARSHIPS 2021/22**

The Report brought together the HE and FE fees and bursaries for 2021/22. It was confirmed that there were no changes to that previously agreed in relation to the HE tuition fees for 2021/22.

Having considered the proposals for the FE tuition fees and scholarships, Policy and Resources Committee **APPROVED** the Tuition Fee Policy for 2021/22 and the Bursary and Scholarship Policy for 2021/22.

## **(ii) HE TUITION FEES AND BURSARIES 2022/23**

The Committee received a Report on the Higher Education Tuition Fees and Bursaries for 2022/23. The Committee noted the summary and background information provided and the Office for Students (OfS) requirement for Access and Participation Agreements, where the full time tuition fees and bursaries are stated, to be in place for all Higher Education institutions who charged above the £6250 minimum fee threshold.

Having considered the Report, the Committee **APPROVED** the HE tuition and bursaries for 2022/23, the associated bursaries and noted the investment in the Student Support package as detailed in the Report. As agreed by the Committee in September 2019, the fees for any new HE programmes developed in the interim would be agreed by the Senior Post Holders and the Executive Dean.

## **7. SUBCONTRACTING ARRANGEMENTS 2020/21**

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

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 would mean that the College would not need to 'subcontract' in for Apprenticeships starts in the 2020/21 academic year and beyond.

The Committee **APPROVED** the Report as presented.

As the Principal and Chief Executive was delayed by his attendance at another meeting, it was **AGREED** that the agenda items would be taken out of order. The minutes are provided in the order in which the items were considered,

## **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 Committee was pleased to note the positive recruitment to FE and the improved situation regarding HE 'returners'.

In answer to a question from a member of the Committee, the Vice Principal: Finance and Corporate Services provided information on the percentage of on-line delivery, noting that this was very small for FE provision. A brief update on the cases of Covid-19 affecting College staff and students was also provided. A member of the Committee wished to thank all those involved and said they were impressed that so much teaching was being delivered on campus.

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

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

The Committee noted the information provided in relation to the Bank loan covenants and the impact of the increased pension fund deficit. As this was a national issue, Santander were taking a global view and the College was confident that a resolution would be achieved within the six-month deadline.

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'. However, the College felt it prudent to self-assess as 'good' due to the current uncertainties.

The Chair wished to congratulate the College and this was endorsed by the members of the Committee.

Information was requested and supplied on the staff who had been/were still furloughed.

## **11. COLLEGE KEY PERFORMANCE INDICATORS**

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

The Committee considered the information provided; the final outcome would be reported at the next meeting. Of the 23 Key Performance Indicators (KPIs), 9 were on target, 6 were on target in part, 6 were under target and 2 were not yet 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.

### **(ii) 202/21 – PROPOSED TARGETS**

The Committee considered the proposed targets for 2020/21. A discussion took place on that relating to staff sickness and it was **AGREED** that this would be reviewed, the outcome being brought back to the next meeting.

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

The Committee **APPROVED** the proposed Key Performance Indicators for 2020/21, as per the Report and noting that the target in relation to staff sickness would be reviewed, as noted above.

## **12. CONSIDERATION OF GOING CONCERN**

The Vice Principal: Finance and Corporate Services presented a Report to consider the current 'Going Concern' situation of the College, in line with the fundamental accounting concept in the preparation of the Financial Statements.

The Report advised that no material uncertainties leading to significant doubt about 'Going Concern' had been identified and that the 'Going Concern' would be assumed when preparing the financial statements, with a statement to this effect being included within the financial statements.

A member of the Committee commented on the proposed Sixth Form Centre extension and it was **AGREED** that this should be added to the Capital Projects section.

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

The Policy and Resources Committee approved and **RECOMMENDED** the paper to the Corporation Board for approval, noting that the extension to the Sixth Form Centre would be added to the Report presented to the Board.

## **13. HUMAN RESOURCES ANNUAL REPORT 2019/20**

The Report had been condensed from that considered in the previous year and feedback from Committee members would be welcomed.

The Report provided information on the core HR data set for the period 1 August 2019 to 31 July 2020. The key issues identified within the Report were discussed in detail and the following was noted:

- As at 31 July 2020, 802 staff (563 Full Time Equivalent (FTE) were employed by the College on different contracts; the actual head count was 750. This was a reduction from the same point in the previous academic year where the number of staff employed on different contracts had been 857 and the head count had been 809.
- The College population remained predominantly female (64.71%) which remained consistent compared to the same period in the previous year (64.29%) and sector norm of 63%<sup>1</sup>.
- The proportion of Minority Ethnic staff at the College currently stood at 18.83%. This had shown a consecutive increase year on year (last year 18.09%)
- The proportion of staff with a declared disability increased to 9.48% compared to the previous year's report of 8.28%, demonstrating 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 noted that sector data (AoC 2019) indicated that apprentices accounted for only 1.3% of college sector employees.
- Annual staff turnover was 12%, which was below the FE sector national norm of 18.2% (AoC 2019) and showed a significant reduction from last year (18.03%)
- Case Management had remained stable to that in the previous year
- The annual rolling absence rate stood at 4.42%. This was higher than the FE sector norm of 2.4% (AoC 2019) and the North West College sector norm of 3.1% and supported the need for the College to continue to have earlier interventions to improve sickness absence.

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

The Committee was informed that the increase in absence rate was being investigated by the College and, in answer to a question from a Committee member, that a report on gender pay would be presented at the next meeting.

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

#### **14. OVERSEAS VISITS ANNUAL REPORT 2019/20**

The Committee received the Overseas Visits Annual Report for 2019/20 which provided detail of overseas business trips and overseas educational visits in the previous academic year. This Report had not been considered by any other Committee.

During the 2019/20 academic year, it was reported that there had been no overseas business trips involving staff or any member of the Principalship, there had been two educational visits to an overseas destination, a third having been cancelled because of the pandemic, and one trip funded through the Research and Scholarship Committee/ Staff Development.. The Policy and Resources Committee noted that there had been no overseas travel involving any member of the Corporation Board. Details of all trips were included in the Report.

The Policy and Resources Committee **AGREED** to recommend the Overseas Visits Annual Report 2019/20 to the Corporation Board for approval at its meeting on 16 October 2020.

#### **15. MODERN SLAVERY ACT**

The Committee was reminded that as part of Section 54 of the Modern Slavery Act 2015, organisations with a turnover of more than £36 million were required to produce a statement setting out the steps they had taken to ensure that there was no modern slavery in their own business or its supply chains.

The Vice Principal: Finance and Corporate Services explained what may be included within the Modern Slavery Act statement and that the statement was to be published on the College's website within 6 months of the College's year-end. Any actions that had been taken before 31 July 2020 had to be included as part of the disclosures in the Financial Statements. It was noted that the statement remained unchanged from the previous year.

The Policy and Resources Committee **AGREED** to recommend the statement to the Board for adoption by the College and sign-off by the Principal and Chief Executive at its meeting on Friday 16 October 2020.

#### **16. CORPORATION POLICY ON PUBLIC ACCESS TO MEETINGS AND PUBLICATION OF MINUTES AND PAPERS**

In accordance with the Instrument and Articles of Government, the Corporation was required to have a policy on public access to meetings and publication of minutes and papers. No changes to the Policy were proposed.

Having considered the Report, Policy and Resources Committee **AGREED** to recommend the Corporation Policy on Public Access to Meetings and Publication of Minutes and Papers to the Corporation Board for approval.

#### **17. SCHEME OF DELEGATION**

The Report provided Policy and Resources Committee with the amendments/updates to the Scheme of Delegation.

Having considered the Report, Policy and Resources Committee **AGREED** to recommend the amended Scheme of Delegation to the Corporation Board for approval.

**18. FREEDOM OF INFORMATION REQUESTS 2019/20**

The Report provided information on the volumes and types of Freedom of Information requests received in 2019 and 2020 to date and was received for information.

**19. LIBOR CESSATION AND THE PROPOSED MOVE TO SONIA**

The Report provided information on the changes being implemented by the Bank of England to replace LIBOR by the Sterling Overnight Indexed Average (SONIA). Santander had advised the College that it would need to review our loans/contracts, and had asked that the College confirm it was aware of the changes. It was not known at the present time whether SONIA would be higher or lower than LIBOR. Further updates would be shared as they were known.

**20. LANCASHIRE COLLEGES PENSION FUND DEFICIT BENCHMARKING 2019/20**

The Report was provided for information and updated the Committee on the impact to other local colleges of the pension fund deficit.

**18:15pm The Principal and Chief Executive entered the meeting.**

The Principal and Chief Executive apologise for his late entry to the meeting.

**8. COVID-19 – COLLEGE UPDATE**

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 Quality of Education, Finance and the progress on re-opening the College.

The Committee noted that the College had continued to make plans for a full delivery in line with Government guidelines and that all staff and students had been on site since 7 September 2020. The College continued to reinforce the Government’s guidance in relation to face coverings, social distancing and the use of hand sanitiser when entering College buildings. The College was working with the Lancashire Education Response Unit to obtain answers to specific questions relating to FE.

Information on the current positive cases of Covid-19 and those who had been required to self-isolate was provided in the Report.

Information on the financial impact and that on recruitment was also covered in the Report and had been considered by the Committee in a previous agenda item.

**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, commenting that it was important that the Board supported the College in its education delivery and continued its governance processes in the proper way.

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

Monday 30 November 2020 at 5.00pm.

Signed: .....  
Date: .....