

MINUTES



RESOURCES COMMITTEE MEETING

Date: Tuesday 16 January 2024
Time: 5.00pm
Venue: Boardroom / Videoconference

Present:

Dr Andrew Roberts (Chair)
Dr Bill Webster (Principal)
Kate Flood
Dr Tony Unsworth
Prof George Holmes

In Attendance:

Garry Westwater (Executive Director of Finance)
Jane Marsh (Executive Director of HR and Estates)
Tim Openshaw (Asst. Vice Chancellor, UoB)
Deborah Bradburn (Clerk)
Jill Hebden (Minute Taker)

1. SECTION A - BUSINESS MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE

1.1 Welcome to Members

The Chair welcomed members to the meeting, which commenced at 5.00pm.

1.2 Apologies for absence

No apologies for absence had been received.

1.3 Declarations of Interest

The Chair reminded everyone present to declare any interests that they may have on matters to be discussed.

1.4 Request for an item to be unstarred

No requests were made.

1.5 Minutes of the previous meeting held on 26th September 2023

The minutes of the meeting held 26 September 2023 had been previously circulated to members for consideration.

Agreed: that the minutes are approved as a correct record and authorised for publication.

1.7 Matters arising from the Minutes and Action Progress Log

The Executive Director of Finance provided an update on the expenditure incurred in relation to 'Golden Hellos', the information would also be provided at the next Board meeting. All other matters on the action progress log from the previous meeting had been completed.

2. SECTION B - COLLEGE MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE

2.1 Financial Update – LEO1 Update

The following update was provided by the Executive Director of Finance:

- The College financial health had self-assessed as 'Good' for financial year 2022/23 with the year-end submission completed and returned to ESFA.
- The financial statements for 2022/23 had been uploaded to the College website.
- A review of all curriculum areas had been undertaken with ongoing recruitment for adult education, community learning and apprenticeships.
- There was the potential clawback on T Levels of circa. £135k - £200k.
- There was very limited scope in reducing non-pay with the College already 15-20% below the sector average.
- An operating deficit that was similar to 2022/23 was forecast that would not meet the bank covenants.
- The Annual Strategic Conversation with ESFA was scheduled for 31 January.

(Prof George Holmes joined the meeting at 5.15pm)

Governor Questions:

- In terms of the impact of the savings, how secure is the £1.7m increase on funding body grants?

This is mostly the uplift on young persons and also setting the budget prudently from the start. It should be noted that when the permanent staff pay is uplifted the agency pay is also uplifted.

- Considering the feedback from Ofsted and the quality of teaching and learning, would it be more beneficial to look at better rates of pay to retain staff in those high-risk areas instead of higher amounts through an agency?

It should be noted that not all agency staff are of poor quality, it is more the continuity and stability of teaching staff that is the issue. Any poor standard agency staff can be terminated immediately. Following an Executive Team meeting it was agreed to pay above the standard rate in order to attract good quality staff. This will be a slow burn as there isn't the required pool of teaching staff available. There is also an issue of some agency workers not wanting to move away from agency due to the flexibility it offers.

- The impact of the changes made this year will not be seen until next year. What has changed in the last 5 months that has altered the budget?
There have been two levers, the lower recruitment to T Levels and the increased pay award.
- If learners have not enrolled on T Levels, what are they doing instead?
In the main they have enrolled onto other Level 3 courses at the College. The main reason behind this is not having a Grade 4 in English and maths that they need to meet the T Level entry requirements. Although this can be waived at the discretion of the College, without the Grade 4 learners would find the T Level qualification very difficult.
- Do we understand the return on investment by curriculum area?
Departments are broadly expected to work on a ratio model that is Pay: Income 50%; Non-Pay: Income 4% and a 46% return margin. However, this is more achievable for some areas e.g. classroom-based. Other material intensive areas such as construction and catering will not hit the 46% target. Areas are challenged to improve their margin of return year on year.
- The fundamental issue is managing the covenant, would it be possible to refinance?
We are unable to re-broker the loan as we are no longer able to borrow money. The only possibility we have is asking the bank to reconsider the existing loan covenants. The discussion has been had with DfE regarding the Treasury taking over the loan however there are £1m break costs involved.
- Can additional payments be made on the loan without penalty?
Yes, we can pay in £250k tranches. We could pay the loan early but this would require DfE approval.
- Do we need to rethink the STEM and digital new build?
Work has already commenced with 82% of the costs being paid through DfE funding. The College's contribution is circa. £700-800k.

RESOLVED:

The Committee noted the financial update provided.

2.2 College KPI Dashboard

The KPI dashboard was reviewed and the following points noted:

- Whilst total income was ahead of budget there had been an increase in costs, particularly staffing costs. Together with the new build costs for the STEM and digital building would result in a fall in year-end cash.
- An update had been made against all quality measures that related to the staffing instability and impact that it had had on the quality of education. This would be reviewed in more detail at the Standards and Quality Committee on 26 January.

Governor Questions:

- What is the headcount of staff and the ratio of teaching to non-teaching?
There are currently circa 445 FTE staff. It is fairly equal teaching to non-teaching staff with slightly more support staff. The College is looking at in-house support and how this can be delivered differently.
- What can be done around HE as there seems to be a continuing over prediction and under performance?
Some of the HE provision is converting into apprenticeships and HTQs. Discussions are underway on options as a University Group, it would however be difficult for the University to recover money from the College on any pre-entry/foundation level due to the Managing Public Money regulations.

RESOLVED:

The Committee noted the contents of the KPI Summary Dashboard.

2.3 Health and Safety Update

The Executive Director of HR and Estates presented the Health and Safety Update, highlighting the following points:

- The speed gates were in place and fully functional and had been well received by both staff and students.
- Confirmation had been received that RAAC was not present in the College main campus buildings or at the Deane and Derby community centres.
- The adiabatic chillers had been replaced through ESFA capital funding.
- The College had passed the recent full fire inspection with two minor issues.

Governor Questions:

- What is happening with the asset transfer of Deane and Derby?
Discussions with the Council have been very slow. Structural changes at the Council have made progress in this area more difficult.

RESOLVED:

The Committee noted the contents of the Health and Safety Update.

MINUTES



2.4 HR Mid-Year Review

The Executive Director of HR and Estates presented the report and the following points were highlighted:

- Sickness had reduced slightly since the last report without any identifiable patterns.
- College staff turnover for 2021/22 was circa. 21% that had reduced to 16.5% in 2022/23. HR would continue to monitor turnover closely.
- The College continued to support its staff who experienced personal or work-related stress, anxiety and issues connected to their mental health with a number of support interventions in place, such as occupational health, Employee Assistance Programme, counselling, access to support and advice from HR and mental health first aiders.
- Teaching staff workload would be reviewed with a broader piece of work across all areas to be undertaken.

RESOLVED:

The Committee noted the contents of the HR Mid-Year Report.

3. SECTION C - UNIVERSITY GROUP MATTERS FOR CONSIDERATION UNLESS INDICATED

4. SECTION D - ANY OTHER BUSINESS

4.1 Meeting Evaluation

Members confirmed sufficient challenge noting that the Executive Team had presented a clear understanding of the issues and what was required to resolve them.

4.2 Reserved Business Minutes

Agreed that the minutes are approved as a correct record.

5. SECTION E - FUTURE MEETINGS

Tuesday 19th March 2024 at 5.00pm

There being no further business to discuss, the meeting closed at 6.32pm

Chair's Signature:

Date: 19 March 2024