

SOUTHPORT COLLEGE

MINUTES OF RESOURCES COMMITTEE MEETING HELD ON WEDNESDAY 10TH OCTOBER 2018

Present:	Veronica Fell	Independent Governor
	Rob Firth	Independent Governor (temporary Chair)
	Vipin Trivedi	Independent Governor
	John Clarke	Principal/CEO (minutes 8 to 71)
In Attendance:	Paul Cochrane	Observer
	Eddie Green	Vice Principal Services
	Lesley Venables	Clerk to the Corporation

APOLOGIES FOR ABSENCE

1 Apologies for absence were received from Alex Kenny (Independent Governor) and Stephen Breen (Associate Member).

DECLARATIONS OF INTEREST

2 A standing declaration of interest was received from Veronica Fell (Chair of the Corporation) as she is married to John Fell (Independent Governor).

MINUTES

3 **Resolved -** That, with the amendment of paragraph 288 to read “ had taken place outside of the meeting...”, the minutes of the meeting held on 26th June 2018 be approved as a correct record and signed by the Chair.

MATTERS ARISING

4 Governors received a report on progress against the actions identified at the previous two meetings. It was noted that the majority of items were either in progress or had been completed.

5 Under minute 265, the Committee requested that the outcomes of the review of the College's Financial Regulations would be reported to the March 2019 meeting.

6 The Clerk was asked to circulate the relevant extract from the Financial Regulations in respect of minute 299.

John Clarke joined the meeting.

7 The Principal advised that work was progressing on ways in which to achieve a greater flexibility of delivery in achieving growth in adult learner numbers, particularly if there was a need for further in-year recruitment, such as the January 2019 enrolment programme (minute 308 refers).

8 Governors were informed that the College was expecting a letter from the ESFA by the end of the week, notifying it of the re-basing of the Adult Budget for 2018/2019. The College had also been advised this would also include an opportunity to submit a business case for additional funding if it was deemed appropriate to do so. A progress report would be made to the Committee's November meeting, with a report to the Corporation's December meeting.

9 In response to questions about reviewing models of delivery for the College's ESOL provision (minute 310) the Principal reported that there were well-established links with the local Job Centre and that the number of enrolments was increasing slowly. A detailed analysis of the ESOL figures would be provided to the November meeting, together with comparative data for 2017/2018.

10 It was agreed that discussion of the proposed HR Objectives for 2018/2019 would be deferred to the November meeting (minute 322 refers).

CONFIDENTIAL ITEMS

11 The Clerk presented a summary of the items classified as confidential in 2017/2018, together with proposals as to whether any of these could be re-classified.

12 The agenda item on the staff pay award for 2018/2019 was considered to be confidential.

13 **Resolved -** That the review of confidential business for 2017/2018 be approved

TERMS OF REFERENCE & SCHEDULE OF BUSINESS

14 Governors received revised terms of reference and an updated schedule of business for 2018/2019. The former had been amended to reflect the fact that the Committee now met 4 times in each academic year and, for consistency across all committees, the term of office of the vice-chair had been reduced from 2 years to 1 year.

15 The timetable of business would be kept under review by the Clerk, with any further amendments brought to future meetings. It was agreed that the Disaster Recovery Plan would be submitted to the July 2019 meeting.

16 **Resolved -** That the Corporation **be RECOMMENDED** to approve revised terms of reference for the Resources Committee

FINANCIAL ISSUES

Management Accounts to 31st July 2018

17 The Vice Principal Services presented the management accounts to 30th June and 31st July 2018, the latter which were subject to audit, as this was the end of the year. It was expected that some of the figures in the accounts would change once the actuarial statements on the pensions costs were received.

18 Governors noted that overall there was a favourable variance of £83K (compared to the previous forecast), but adverse variances had been recorded against the Adult Education Budget and Higher Education income streams. Full cost income had generated more than the figure in the financial forecast. Pay costs were slightly higher than the previous forecast due to higher than anticipated end of year pay claims.

19 The adjustments to the balance sheet were mainly due to timing differences, particularly in relation to capital works, with some projects delayed and moving into the 2018/2019 financial year. The outturn for 2017/2018 was a deficit of £213k.

20 The original budget that had been approved by the Corporation in July 2017 projected a deficit of £475k after adjustments were made for the impact of FRS102.

21 The Committee received a sensitivity analysis of the risks associated with the College's financial performance and a summary of funding streams.

22 For 2018/2019 the management accounts for the two colleges would be merged into a single set of accounts. Governors asked about progress in finalising the financial statements for KGV up to the date of the merger and were advised that the audit process was almost completed. The one significant item was the pension deficit and the Vice Principal Services was discussing this with the College's auditors. Management felt that there was a low level of risk associated with the accounts providing a true and fair view of the year.

23 The Committee queried whether the number of enrolments on which the original budget had been based now needed to be updated to reflect the actual position. The Vice Principal reported that this would be included in the September management accounts submitted to the November 2018 meeting. At that time management would be able to make a judgement as to whether any adjustment in the learner numbers figure was required. Due to the lagged funding model in operation for further education, the College would potentially need to employ staff for increased levels of delivery in advance of receiving the income from the ESFA for that provision.

24 **Resolved -** That the management accounts be approved

Accounting Policies Review

25 The Vice Principal Services presented the Review of Accounting Policies for the production of the 2017/2018 financial statements.

26 It was noted that the content of this item would form part of the Financial Statements which would be submitted for recommendation to the Corporation at the next meeting. The main difference with previous versions related to amendments to the depreciation policy. Governors were advised that the most recent revaluations of the College's land and buildings had taken place in 1996 for KGV College and 1993 for Southport College.

27 The Vice Principal Services reported that the Committee would need to review whether a separate report was necessary in future years.

28 **Resolved -** That the appropriateness of the College's accounting policies for use in the Audited Financial Statements for 2017/2018 be approved

Transaction Unit Monitoring Report

29 Governors received for information a copy of the latest monitoring report that had been sent to the Transaction Unit. This was required on a quarterly basis and the Committee confirmed its wish to receive copies of all future reports.

30 The report included a table on progress against financial performance indicators, some of which were not yet filled in as they were dependent on data which was still being finalised. The Committee noted that the College's forecasts were in line or slightly better than the level of performance in the TU report.

31 The Vice Principal Services was asked to check and advise on the figure included for EBITDA (-20.64%), which did not appear to match the corresponding number in the management accounts.

32 Management was still confident that all the non-financial targets against which the TU measured the College could be met. However, the achievement rate had been adversely affected by the introduction of 2 year linear A Levels and progress and the ALPs score were a concern, particularly at KGV. Some class sizes were small, but it was recognised that this was sometimes necessary to maintain the breadth of the curriculum.

33 Restructuring costs of £214K had been incurred against the budget of £216K.

34 At the March 2019 meeting governors would receive the TU monitoring reports for the next 2 quarters of the academic year. Any issues identified by the TU would also be disclosed.

Industry Placement Capacity & Delivery Fund Project Report 2018/2019 – Term 1

35 The Committee received a report from the Assistant Principal (Curriculum & Quality) on the Industry Placement Capacity & Delivery project which was connected to the introduction of Technical Levels. The Fund provided support for establishing and delivering the work placement element of the T Levels within the pilot project in 2018/2019.

36 The College's allocation was based on the number of students who were likely to fall within the scope of T Level qualifications. Concern had been expressed by colleges nationally on those providers who had been selected to trial the new qualifications and none were based in the Liverpool City Region.

37 All 66 students within the scope had been found suitable work placements. In response to questions the Principal advised that originally the area of Motor Vehicle had been chosen, however, it had proven difficult to source suitable opportunities, particularly amongst SMEs, and the College had opted to change this to Business.

38 Management would be monitoring closely how the work placements compared to apprenticeships. Governors commented that the former enabled employers to assess how individual learners performed in the work place before offering them an apprenticeship. There was a high level of competition amongst educational providers to source work placements in local companies.

39 The Committee requested that further information should be provided from staff on the perceived barriers in relation to work placements.

HUMAN RESOURCES ISSUES

Employment Trends Report

40 The Vice-Principal Services presented the annual Employment Trends report for 2017/2018.

41 It was noted that the number of full-time equivalents had reduced from 306 to 282, due to some staff savings having been made earlier than anticipated after the merger.

42 The balance between male and female staff was broadly similar to that reported in 2016/2017, with females making up two-thirds of the workforce in management, lecturing and business support areas.

43 A total of 5% of College staff had declared a disability.

44 Staff turnover was at 14.3% compared to 24.7% in 2016/17 and an AOC benchmark of 17.4%. It was felt this may have been distorted by a number of leavers in August 2018 and that the 2018/19 figure may be higher.

45 The overall sickness absence rate for 2017/2018 was 3.76%, which was higher than the AoC benchmark of 3.1% and the position in 2016/2017 (2.84%). Short-term absence was 1.51% and long-term (ie in excess of 5 working days) was 2.26%, both of which were increases on 2016/2017.

46 No significant trends in the data had been identified. In response to questions the Vice Principal Services reported that some staff on long-term sickness absence were suffering from stress, some of which was work-related. Governors were assured that each case had its own specific reasons and there were no trends in the data pointing to any one department, manager or specific reason.

47 The Vice-Principal Services provided the Committee with information on the number of HR procedures which had been instigated in 2017/2018. Of these, 7 cases involved voluntary redundancy, 4 grievances against other staff, 17 were due to sickness absence and 6 disciplinary procedures.

ACCOMMODATION STRATEGY

48 Governors received for information a progress report on current accommodation issues.

49 The Vice Principal Services advised that work on the HE Centre had been delayed by 6 weeks compared to the original schedule and the handover from the contractors was unlikely to take place until the end of the following week. The College was considering what formal action to take against the contractor in relation to liquidated damages and the retention contingency within the contract.

50 College staff had been able to work around the contractors on site, but it was noted that it would be problematic if the project was not completed by October half term. Governors asked about the potential risks involved in the project and were advised that these were mitigated to an extent by the engagement of professional advisers and property consultants, which assisted in ensuring that the College received value for money.

51 The total overspend for this project was projected to be between £20K and £30K.

52 The Reception project at KGV had now been completed within the amended budget and the roof works were estimated to be complete by the end of January 2019, depending on weather conditions.

53 Conflicting advice received from potential contractors meant that the project relating to the sports pitches was currently on hold. Fencing at the front of the KGV building would be replaced next week.

54 The Vice Principal Services reported that proposals for the refurbishment of the HE Centre would be brought back to the Committee at a future meeting. It was felt that this should be deferred until the outcome of the Nursing Pathways provision was more certain. Currently, learner numbers for higher education courses were lower than the identified target and various options to recruit further students were being considered, such as validation of the programme by a different university.

HEALTH & SAFETY ISSUES

Health & Safety Annual Report 2017/2018

55 Governors received for information the annual Health & Safety Report for 2017/2018. This detailed the type of training undertaken and the number of staff involved in each activity during the year, the areas where safety inspections had occurred in 2017/2018 and those planned for 2018/2019.

56 The total number of accidents recorded in 2017/2018 was 138, which compared to 120 in the previous academic year. The most significant increase in accidents had been within the category of 'slips, trips and falls'. Management was satisfied that there were no discernible trends in the accident data and no incidents were reported to the Health & Safety Executive under the RIDDOR regulations.

57 The Committee noted that a good level of progress had been made in improving environmental sustainability across both college sites.

58 A small number of health and safety related policies required updating for 2018/2019.

Health & Safety Update

59 Governors received for information a summary of the Health & Safety Committee meeting held on 7th June 2018.

COMMITTEE SELF-EVALUATION

60 As agreed at the previous Committee meeting, governors received a draft of the Self-Evaluation proforma for 2017/2018.

61 For consistency with other committees, the section on grading the Committee's performance would be removed from the final document.

62 **Resolved -** That subject to the removal of the section on grading, the Committee's Self-Evaluation for 2017/2018 be approved

ITEMS TO BE REPORTED TO THE CORPORATION

63 The Chair summarised the meeting and identified the following items to be reported to the Corporation at its meeting on 16th October 2018:

- Discussion of progress on the accommodation projects
- Accounting Policies Review
- Transaction Unit monitoring report and management accounts
- Revised terms of reference would be submitted to the Corporation for approval

DATE OF NEXT MEETING

28th November 2018, 3.00 p.m.

Signed:

Date: