

RESOURCES COMMITTEE

Part One

DATE: WEDNESDAY 24 NOVEMBER 2021

PLACE: Meeting held VIA ZOOM

TIME: 6.00pm.

PRESENT:

Fred Gray	Chair of Resources Committee
Andrew Baird	Chair of the Corporation
Melanie Harding	Governor
Lee Chantry	Staff Governor
Christine Ricketts	Principal & CEO

IN ATTENDANCE Sarah Glasspool, Executive Director of Finance, Resources & People Performance
Steven Dowbiggin, Estates Advisor & Consultant

Natalie Watt (Clerk to the Corporation)

STANDING AGENDA ITEMS	Action By
<p>1. Action in the Event of Fire Meeting held via ZOOM.</p>	
<p>2. Welcome & Apologies for Absence</p> <ul style="list-style-type: none"> The Chair of the Resources Committee welcomed attendees to the meeting. The Clerk confirmed that all those on line were able to fully participate in the meeting. <p>Apologies None.</p>	
<p>3. Declarations of Interest</p> <ul style="list-style-type: none"> Andrew Baird declared his current position as Chair of Orbital Colleges. Melanie Harding declared her current role in the Department for Education, as Project Director for School Rebuilding Programmes. 	
<p>4. Notification of Any Other Business</p> <ul style="list-style-type: none"> None. 	
<p>5. Part One Minutes of the meeting held on 28 June 2021</p> <ul style="list-style-type: none"> The minutes of the meeting were agreed as a true and fair representation of the meeting and were APPROVED for signature by the Chair when circumstances permitted. Later amendment to item 11vi referring to the consultant were agreed. The reference to the Consultant should refer to LOGIXX not Fusion. Subject to the above change the Minutes of the meeting were APPROVED. 	
<p>6. Matters Arising from the meeting on 28 June 2021</p> <ul style="list-style-type: none"> Minute No 7 – Noted that the Annual Accounts for previous years remained in draft until the details of the loan agreement had been finalised. 	

- **Minute no 9ii** – Noted that the revised fixed asset policy had been approved by the Corporation.
- **Minute 10.i**– Out-Turn received by the Corporation at the July 2021 Corporation meeting.
- **Minute 11vi** – Noted that the reference in the minutes was incorrect and Fusion should be replaced by LOGIXX. The review referred to on telecoms had now been completed.
- **Minute 10.10xv** – Discussion followed on the proposal to hold a desk top disaster recovery exercise. The Estates Advisor & Consultant, who had been responsible as Interim CEO, at the time the recommendation was made, stated that he no longer felt that the action was urgently required as the College had demonstrated, in its response to Covid, that its systems could cope well with such challenge. Following discussion, it was agreed that this matter would be carried forward to the next meeting and considered at that time.
- **Minute12** – The Committee noted that the terms of reference had been reviewed and were for approval at the December Corporation meeting.

Clerk

Clerk

Update RECEIVED.

Items for Information, Discussion & Approval

7. **Financial Matters relating to 2020/21** – Presented by the Executive Director Finance, Resources & People Performance.

Items discussed:

a) Out Turn vs Budget

- Discussion followed on the out turn against the original budget. The Interim CEO for 2020/21T, informed the Committee that the over-riding aim for the College had been to achieve a cash neutral position as this was what was expressly specified in the FEC recommendations.
- The Committee were informed that the Senior Leadership Team (SLT) had monitored the situation closely (via monthly management accounts) and adjusted budgets throughout the year, to ensure that an operational cash neutral/positive position was achieved by year end.
- Members were reminded that forecast changes were reported to the Resources Committee during the course of the year.
- The Committee were advised that notification of funding issues had resulted in a increase in shortfall (approx. £100k on £12m).
- The College is still awaiting resolution of some funding issues, so the final end of year position may be closer to the budgeted amount than reported.
- The EDFR&PP confirmed that the Financial Statements Auditors were currently completing their audit of the accounts for 2020/21.
- The Interim CEO (2020/21) advised the Committee that the cash neutral target was expected to be achieved.

Report RECEIVED.

b) Treasury Management Report

- The Report was received and briefly discussed. Members discussed the resourcing of the Finance Department.
- The EDFR&PP confirmed that the Finance Team were now at full complement. The Committee thanked the EDFR&PP and the team for their hard work and flexibility during a very challenging year.

Report RECEIVED.

c) Contribution Analysis

- The EDFR&PP presented the report. Members were informed that there had been some changes with the EFSA software systems which had made reporting income more challenging.
- Discussion followed on the key areas of contribution from across the Curriculum.
- Members noted, that the expected hospitality contribution was less than expected given the lock down period and inability of the restaurant to open for most of the year.
- Discussion followed on the variances in expected contributions and the impact of overheads for the more vocational areas of delivery. Detailed discussion followed on Apprenticeships.
- The Principal & CEO informed the Committee that staff utilisation had been scrutinised and where possible staff had been assigned to other areas of delivery, to level up the cost of staffing across the board. Noted.
- The EDFR&PP confirmed to the Committee that following the FEC Stocktake visit, that she was realigning forecasting methods and taking a more robustly prudent approach, to areas where income was forecasted rather than guaranteed. Members endorsed this approach.

Report RECEIVED.

8. Draft Financial Statements (& Outline Post Audit Management Letter) for 2020/21

- Presented by EDFR&PP

Items discussed:

- The Committee were advised that the draft financial statements had been submitted for audit to Buzzacotts.
- Members were informed that due to resourcing challenges, Buzzacotts had asked to push back the Audit. The EDFR&PP advised the Committee that she had not been informed of any significant issues. It was noted that the clearance meeting had been provisionally scheduled.
- The Committee were assured that the accounts were compliant with the Casterbridge model.
- Members attention was drawn to the reduced pensions liability and the revaluation of land and building assets, all of which had been included in the revised accounts for 2020/21.
- The EDFR&PP confirmed that the net asset increase was due to the points mentioned previously. Members noted the amount of information still needed for completion and expressed their concerns about having a third year of accounts not finalised.
- The Committee acknowledged that the missing information and delays were outside of the control of the College and were due to on-going negotiations with the EFSA to resolve the outstanding loan issues.
- Discussion followed on the Adult Education Budget and the potential funding allocation that now appeared to have been agreed. It was noted that the delay in finalising the accounts would ensure that these monies could be included in the final outcome for the year.
- The EDFR&PP informed the Committee that the clearance meeting with the Auditors would not be taking place until the 3rd December 2021 at the earliest.
- Following discussion, it was agreed that the College would commit to operating as normal a process as possible. In light of this, the previously proposed Audit Committee would be postponed until the Spring Term; however, draft Financial Statements and a Draft Post Audit Management Letter would still be presented to the Corporation for information.
- The EDFR&PP also advised the Committee that TIAA (Internal Auditors) were undertaking and completing a Learner Numbers Audit. The findings of this audit were also going to be relied upon by Buzzacotts as part of their audit of the Financial Statements, which could also potentially add to the delay in signing off the Statements. Noted.

9. Management Accounts 2021/22 – Presented by EDFR&PP

Items discussed:

- The EDFR&PP advised the Committee that the Management Accounts had been updated to incorporate additional information in line with the exemplar accounting format issued by the EFSA.
- Members attention was drawn to the RAG rating accompanying the report.
- Members noted and briefly discussed the headline areas. Detailed discussions followed on the small forecast deficit against budget. Members discussed the potential for in year recruiting of learners, particularly for the AEB budget.
- The EDFR&PP informed the Committee that where practicable she had reflected the advice given by the FEC.
- Discussion followed on the subcontracting restrictions that the College was still subjected to. The Chair of the Corporation was asked to pursue the issue of subcontracting on behalf of the Corporation for AEB. Agreed.
- Discussion followed on the pros and cons of sub-contracting, the potential for expanding direct provision and the contract still held by the College that was GLA funded.
- It was noted that pay costs for the year were below that forecast due to the level of vacancies. The EDFR&PP confirmed that non-pay costs were on track, as was the Capital spend.
- Discussion followed on the compliance with covenants that the College had to manage during 2021/22. The EDFR&PP advised the Committee that until the final amounts were calculated it was difficult to predict the final outcome but that this picture was expected to become clear in the next couple of weeks. Noted.
- The Committee briefly discussed the development in relation to asset disposal and loan agreement. It was agreed that the proposed timetable would be discussed with Buzzacotts and assurance sought on how and when any actions needed to be reflected in the Accounts.
- The Committee discussed the format of the management accounts and it was agreed that in future, the EDFR&SS would expand the report to evidence worst case scenarios for income and expenditure i.e. differentiate between predicted, but not guaranteed income.
- Members attention was drawn to the variances against budget shown on page 3. The full year Income and Expenditure forecast was discussed in some detail.
- Members noted that the outcome of the transformation bidding process had now been postponed to March. The EDFR&PP assured Members that she had been prudent in her cash assumptions.
- The Committee were informed that the update on Capital at Item 4 did not include the transformation fund potential income, however, it did reflect the expected income from the developers.
- Members attention was drawn to the cash flow and the Committee was assured that the cash profile reflected previous years with the usual dip expected in March.
- Members emphasised the need for the worse case scenario to be part of the management account reports going forward. Agreed.

Chair of the Corporation

EDFR&PP

Management Accounts RECEIVED and recommended to the Corporation for Approval.

10. Capital Expenditure – Presented by EDFR&PP.

Items discussed:

- The EDFR&PP presented the report and advised the Committee that the underspend in 2020-21 had been largely due to the scarcity of supplies during the pandemic. Noted.

- The Committee were informed that the IT and MIS systems had been upgraded.
- The EDFR&PP requested that the surplus be carried forward for use as intended. The Committee approved the recommendation to carry forward £97k of capital spend into 2021/22 as requested.

Report RECEIVED and recommendations APPROVED.

11. Financial Policies – Presented by the EDFR&PP.

Items discussed:

i) Policy Reviews

a) Treasury Management Policy

- The Committee were informed that the revisions to the policy were largely administrative and reflected the changing roles and responsibilities of staff.
- In some instances, proposals had been included to ensure that the segregation of duties could be protected following restructures. Noted and agreed.

The Treasury Management policy was APPROVED.

b) Anti-Fraud Policy

- The EDFR&PP confirmed that the changes requested, were as per the previous policy and related to administrative updating to reflect new roles and responsibilities.

The Anti-Fraud Policy was APPROVED.

c) Anti-Bribery Policy

- The EDFR&PP confirmed to the Committee that the changes proposed were to ensure that new roles and responsibilities had been aligned with the roles referred to in the policy.

The Anti-Bribery Policy was APPROVED.

ii) Business Continuity Policy

- The Committee were informed that a comprehensive review of the policy had been conducted.
- Members were informed that SLT responsibility for Estates now sat with the EDFR&PP. It was noted that John Brady, was the key officer, with day to day responsibility for the area.
- Members expressed their appreciation for the comprehensive review, report and plan.

The Business Continuity Plan was APPROVED.

12. Health & Safety Annual Report 2020/21 – Presented by the EDFR&PP

Items discussed:

- The Committee were informed that the report followed the same format as the previous year. Members noted that it was clear, that the main focus had been in dealing with and meeting the challenges surrounding COVID and the pandemic.
- The Committee were advised that a new microsite was now up and running, which improved the overall reporting records and processes for the College.
- Discussion followed on the past and current COVID measures employed by the College, including twice weekly lateral flow testing and the emphasis on the continued use of masks and hand sanitisers.
- The Principal & CEO confirmed that the site had now moved to be fully non-smoking and that this was proving challenging for some students. However, staff were focussed on ensuring that policies were implemented.
- The EDFR&PP informed the Committee that a rolling programme of first aid courses had been introduced, with the next one due in January 2022.
- Members noted the focus on training for mental health first aiders. Members discussed the challenges in ensuring that staff received training and accreditation, especially given the turnover of staff in some areas.

- The Principal & CEO informed the Committee that the College had advertised for a part time administrative officer to support the delivery of Health and Safety across the College sites.
- Members challenged the lack of RIDDOR reports. The EDFR&PP informed the Committee that the incidents had not breached the level at which they become RIDDOR reportable.
- Discussion followed on some of the specific incidents identified. In particular the pull-out cable from the Mansion Block. Members requested that additional contextual information around these incidents be provided at the next report.
- Members also requested that the next report include a column stating what action had been necessary against each incident. Agreed.
- The Principal & CEO provided a verbal update, as she had been on site to monitor the incident.
- It was agreed that the EDFR&PP would review the accidents again to ensure that none were RIDDOR reportable. It was further agreed that this follow up would be reported to the Committee following the meeting, for additional assurance.

EDFR&PP

EDFR&PP

EDFR&PP

Health and Safety Annual report RECEIVED.

13. People Performance & Development, Annual Report 2020/21 – Presented by the EDFR&PP

Items discussed:

- The Committee noted the positive staff survey results reported earlier in the year. Discussion followed on the key areas highlighted in the report as follows:
 - Pandemic
 - Staff profile
 - Recruitment challenges and associated costs.
- Members of the Committee noted the reduced agency costs overall, with the exception of the Construction curriculum area.
- Discussion followed on challenges with recruitment for teaching staff across the sector, in this area in particular.
- Members also debated the diversity profile reported for staff.
- The reduced sickness was noted and discussion followed on the potential reasons for this, including the option of home working.
- The Chair thanked the EDFR&PP on the thoroughness of the report and the useful annual overview supported by key statistics.

Report RECEIVED.

14. Estates Update – Presented by the Estates Advisor & Consultant

Items discussed:

- The Estates Advisor & Consultant confirmed to the Committee that discussions with Curriculum Managers had been ongoing, to develop a robust redevelopment plan for delivering to curriculum needs on the Weybridge Campus.
- Members were advised that decisions on the Transformation Fund Stage 2 Bid had now been postponed to March 2022. Members were informed that redevelopment projects were being seen in a more positive light and that it was anticipated that this could have a positive impact, when the Brooklands College bid was considered.
- The Chair of the Corporation, confirmed that the Search & Governance Committee had discussed establishing an Estates Working Party, to oversee all aspects of the redevelopment project.
- Detailed discussion followed on the remit, membership, frequency and purpose of the Estates Working Group.
- It was agreed, that that the Corporation would be asked to approve the establishment of an Estates Working Group, as a task and finish group, that would report to the Resources Committee.

Brooklands College

- It was further agreed, that the Group would be advisory in nature and would undertake more detailed monitoring and scrutiny on behalf of the Resources Committee in particular, but that Membership would reflect the wider expertise and experience of the Corporation as a whole.
- The Committee agreed that the membership would be confirmed in due course, however, the following principles would be adhered to:
 - That Governors with specialist knowledge and experience should be approached in the first instance.
 - That the Chair of the Corporation should be a member of the Committee.
 - That the Chair of the Resources Committee would Chair the Estates Working Group.
 - That the Principal & CEO would be a Member of the Group.
 - It was noted that the Clerk to the Corporation would undertake the clerking for the Group and that the notes would be circulated to the Resources Committee.
 - It was agreed that terms of reference would be developed in consultation with the Chair of the Corporation, the Chair of the Search & Governance Committee, the Chair of the Working Group and the Principal & CEO.
 - That the Group would initially meet twice a term and that meetings would be scheduled to work within the current committee cycle of meetings for ease of reporting to the Resources Committee.
 - The Clerk confirmed that the draft Terms of Reference would be submitted to the next meeting of the Search and Governance Committee (and the first meeting of the working group) for approval.

Clerk

Report RECEIVED and Recommendations APPROVED.

13. Any Other business

Draft Resources Annual Work Plan 2021/22.

- Noted that following the Corporation the workplan should be updated to reflect the receiving of **minutes/notes from the Estates Working Group** on a termly basis.
- Members also requested that **Health and Safety Annual Report** be included in the Plan along with the **Risk Management Plan**. Agreed.

Clerk

Draft Work Plan APPROVED
(Subject to the above amendments)

14. Date of Next Meeting

- **Wednesday 2 March 2022 at 6pm at Brooklands College.**

Signed By: _____

Date: _____