

**MINUTES OF THE POLICY AND RESOURCES COMMITTEE**  
**HELD ON MONDAY 27 FEBRUARY 2023**

**PRESENT:**

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

**IN ATTENDANCE:**

Nicola Clayton	Director of Business Development and External Engagement
Joanne Calcutt*	Head of Human Resources
Jennifer Eastham	Vice-Principal: Finance and Corporate Services
Rachel Tarplee	Vice-Principal: Curriculum and Quality
Sarah Horeesorun	Director of Governance
Ridwaan Omar	Observer
David Swift	Observer

\* indicates participated via Microsoft Teams

The meeting commenced at 5pm.

The Chair welcomed everyone and extended a special welcome to David Swift and Ridwaan Omar. The Chair had invited David and Ridwaan to observe the Committee meeting. David was the new Co-opted member of the Audit Committee to take up post on 1 April 2023. Ridwaan's position as a Governor was to be ratified at the March Board meeting.

Joanne Calcutt, Head of Human Resources (HR), joined the meeting via MS Teams for the HR related items.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received in advance from Steve Waggott.

**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 28 NOVEMBER 2022**

The Committee **APPROVED** the minutes of the Policy and Resources Committee meeting held on Monday 28 November 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.

The Chair suggested that the HR related items be taken out of sequence and therefore, Item 7 and Item 10 were taken first. However, for the purposes of the minutes they are reflected in the same order as the agenda.

#### 5. **MANAGEMENT ACCOUNTS**

Management Accounts to 31 January 2023 and budget monitoring update

The Vice-Principal: Finance and Corporate Services presented the Report and supporting information highlighting the current operating position.

The Vice-Principal: Finance and Corporate Services assured members that close scrutiny of expenditure continued to ensure that shortfalls in income were actively managed, and informed the Committee that FE Contract Funding, Project Income and Pay costs were in a more favourable position, plus the Balance Sheet and cash balances to January 2023 remained strong.

The Chair asked about the cumulative impact of, for example, the National Minimum Wage, under-recruitment, and rising utility costs. The Vice-Principal: Finance and Corporate Services acknowledged that this was a challenge, particularly given that costs exceeded income at that time. However, she was optimistic that huge efforts to reduce energy usage and wastage, and concerted efforts to effectively manage budgets would reduce the risk and impact. It was also noted that it was too premature in the budget process to predict the outcome and funding allocations had not all been realised.

The Chair acknowledged the challenges to balance the budget and added that he was confident that the Vice-Principal: Finance and Corporate Services had the proven experience to manage the finances effectively.

The Committee was reassured that the shortfalls were being effectively managed, noted the content of the Report and Management Accounts at Appendix 1 and **AGREED** that the Report be recommended to the Board for approval.

#### 6. **FINANCIAL OBJECTIVES 2022/23**

The Vice-Principal: Finance and Corporate Services reminded members that this Report had been presented to the November meeting when the decision to approve the Financial Objectives 2022/23 had been deferred. The Committee had agreed, at that time, that whilst the majority of the Financial Objectives were applicable, more time would permit further work on Objective 3. The Chair added that Objective 3 was currently about managing the Pensions deficit, and as the Vice-Principal: Finance and Corporate Services was effectively managing this, it was thought a revised Objective would permit more creativity and be more meaningful.

The Committee discussed Capital Projects currently underway and planned, and supported the rationale for an Objective related to Capital Projects that would be more meaningful, appropriate and purposeful.

The Committee endorsed the proposal for the revised wording for Objective 3 to read:

Objective 3: To undertake capital projects to ensure that the campus remains fit for purpose with continued investment and industry standard facilities.

The Committee **AGREED** to recommend the Financial Objectives 2022/23 to the Board for approval.

## 7. PEOPLE STRATEGY

The Head of Human Resources (HR) introduced this Item reminding the Committee that it had considered an earlier version of the People Strategy at its meeting in November 2022. At that time the Committee agreed that the draft 'operating statement' was heading in the right direction and suggested that specific measures, targets and reviews be included.

The Head of HR explained the strategic aims of the three-year People Strategy 2022-25 and talked the members through the fundamental aims of the strategy as well as some of the operational detail.

In discussions a question was raised about the use of I.T. in recruitment, and in particular, for those unfamiliar with I.T. who might struggle. The Head of HR assured members that the College was mindful of this and offered support and alternative recruitment options. The Principal and Chief Executive provided an update on the Agile Working Strategy and the Head of HR said that HR had responded to the Committees feedback from the last meeting and had modified the Exit Interviews process.

A member challenged the timelines as some were extending into 2025 when in fact, they may be able to be delivered before that. The Head of HR explained that there were interdependencies between many of the activities and some were reliant on others being delivered before they could be realised. However, she accepted that a review of the sequencing of the deliverables would be useful and to list what would be delivered in each year.

**Action: Head of Human Resources.**

A comment was made that the People Strategy was ambitious and would create a lot of work, to which the Principal and Chief Executive responded that the strategy harnessed many of the existing HR practices and activities in one over-arching document.

The Committee agreed that the College website could be improved to promote the staff experience and be more appealing to prospective employees, with the aim of improving recruitment.

**Action: Head of Human Resources.**

The Committee **SUPPORTED** the People Strategy and, pending the small improvements as suggested, **AGREED** this be recommended to the Corporation Board for approval.

## 8. STRATEGIC PLAN – ANNUAL OPERATING STATEMENT – PROGRESS AS AT 31 JANUARY 2023

The Vice-Principal: Finance and Corporate Services explained to Committee members that this Report provided the first update for 2022/23 on the progress towards the measures and targets within the Strategic Plan 2022-25.

The Vice-Principal: Finance and Corporate Services informed members that it was too soon to report on some of the targets as they required a full-year's data. Progress to date was very positive on a number of measures, for example, investment in facilities, Gatsby Benchmarks and the FE Climate Change Roadmap. An area of concern was growth in Commercial Income and this would be covered in a later agenda item.

The Committee noted the content of the Report and attachment.

**9. COLLEGE KEY PERFORMANCE INDICATORS (KPIs) 2022/23 - AS AT 31 JANUARY 2023**

The Vice Principal: Finance and Corporate Services introduced the Report and highlighted progress made on the 23 KPIs monitored by this Committee.

In their discussions of the Report, members acknowledged the challenges if recruitment targets were not met, the impact on income and issues around retention. The Committee were pleased to learn of various initiatives and different approaches being used to increase recruitment numbers for 2023/24.

The Committee noted the content of the Report and attachment.

**10. HUMAN RESOURCES (HR) UPDATE AS AT 31 JANUARY 2023**

The Report provided the Committee with an update on HR related issues for the period 1 August 2022 to 31 January 2023. The supporting Appendix provided monitoring data against the protected characteristics as defined within the Equality Act 2010.

Members noted that sickness absence, though higher than the College would like, was on the decline and long-term cases were being actively managed.

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

The Chair thanked the Head of HR for this Report and the People Strategy Item (Item 7).

**11. HEALTH AND SAFETY**

The Report and Appendix One provided the Committee with an update and highlighted that there had been no RIDDOR incidents and that Health and Safety training and compliance inspections were scheduled.

The Committee noted the content of the Report and Appendix.

**12. COMMERCIAL ACTIVITY 2022/23 TERMLY UPDATE**

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

- A review of provision to focus on where there is demand, and development of new provision for Cyber, Health and Low Carbon
- Successful bids for investment including Cyber, Digital, Health, hydrogen developments in motor vehicles and low carbon domestic heating technologies
- Creation of a Cyber Corridor in the University Building, a Skills Hub in the Harrison Centre and an immersive suite and hospital ward
- 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 was involved in and as detailed in the External Funding summary sheet attached to the Report.

The Chair commented that there was a lot of activity with many bid applications, networking events, and exploring new business and commercial opportunities and thanked the Director of Business and Employer Engagement for her Report.

### **13. NET ZERO CARBON - UPDATE**

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

A new Sustainability Officer had started in January 2023 and was quickly getting established and identifying areas for improvement, for example, in promoting sustainability and cross-campus awareness raising activities.

Other highlights included:

- 77% of emerging actions completed, with 50% of established actions completed
- Sustainability Working group met in January and had a series of projects running
  - Continued engagement with Blackburn with Darwen People's Jury on Climate Change
  - Sustainability staff survey to be rolled out
  - ESFA Grants received £252k – energy saving equipment and projects being identified
  - Engaging with BwD 'Peoples Jury for Climate Change'

The Vice-Principal: Finance and Corporate Services elaborated on intentions to use the ESFA grants to improve the College infrastructure through initiatives and sophisticated systems to control and monitor energy usage.

A member enquired if the College was following the Climate Change Road-Map rigidly. The Vice-Principal: Finance and Corporate Services replied saying that the College had set itself ambitious targets. These may need revising in the future and the Scope 3 emissions would increase when the Victoria Building refurbishment commences.

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

Members noted the content of the Report.

### **14. FE FUNDING UPDATE 2023/24**

This Report was provided for information and updated the Committee on the ESFA FE funding contracts for 2023/24 and the Colleges' considered position.

The ESFA had confirmed that the funding rates for the next year would increase by 2.2%, but had not yet released any funding allocation statements for 2023/24.

A further update would be provided once the allocations had been announced.

### **15. LANCASHIRE COLLEGES HEADLINE BENCHMARKING 2021/22**

This Report was provided for information. The Annex supplied compared the headline financial position of Lancashire Colleges showing movement for the last three years.

### **16. ANY OTHER BUSINESS**

There were no items of any other business.

### **17. 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.

The Chair informed the Committee that this would be his final Policy and Resources Committee meeting as his term of office was due to end. The next meeting would be Chaired by Arif Patel as the new Chair of the Policy and Resources Committee.

The Principal and Chief Executive paid tribute to the commitment of Paul Levet as Chair of this Committee, as a Board member and supporter of the College. He thanked him for his professional advice, hard work and countless hours dedicated to attending meetings and events. The Committee all thanked Paul and wished him well.

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

Monday 15 May 2023 at 5.00pm.