



**Minutes of the Meeting of the Resources Committee Held on 30 November 2021  
Commenced at 6:15pm via MS Teams**

**Present**

Shameem Rahman (Chair) (ShR)  
Sarbdip Noonan (Principal) (SN)  
Rohit Bhatia (RB)

**In Attendance**

Bob Pattni (DP - Finance and Planning) (BP)  
Robert Heal (Director of Governance) (RoH)

**1. Chair's Opening Remarks**

ShR welcomed all to the meeting. Introduced himself as the new Chair.  
ShR confirmed there had been no Chair's action since the last meeting.  
Thanks were given for preparing papers, especially BP, under difficult circumstances.

**2. Apologies for Absence**

Apologies for absence were received from GS and KP

**3. Conflicts of Interest**

There were no conflicts of interest noted.

**4. Minutes of the Meeting Held on 23 June 2021**

ShR questioned the Anti slavery policy reference in the minutes.  
RoH explained. This was undertaken as an Action Point from the last meeting, discussed and has been responded to the Chair directly. It was identified that this was not required as it is covered in other policies and this outcome is detailed in the Action Points section for the Committee.

The minutes of the meeting held on 23 June 2021 were taken as an accurate record.  
ShR reviewed the Action Points and noted that all had been completed

**5. Matters arising**

None

**6. Annual selection of Chair / Vice Chair**

There were only two nominations.  
The Committee appointed ShR as Chair & KP as Vice Chair

**APPROVED**

**ShR AS COMMITTEE CHAIR AND KP AS VICE CHAIR**

## 7. HR Report Full Year 2020/21

SN reviewed HR report on staffing and Continuing Professional Development (CPD) for support staff. It was noted that Academic Staff CPD goes to C&Q Committee. This report covers compliance with HR process & procedures for the academic year 2020 -2021.

The report details analysis of staff profile and it can be seen that females dominate the organisation in all categories. There are less males in the organisation and the college monitors this closely in terms of gender equality. There has also been a continuing decline of males in the organisation, this year by 4.4%. Staff ethnicity is monitored where given, and the profile is skewed towards the White British who make up 34.2% of staff, with Asian British- Indian who make up 15.2% and the remaining (50.6%) being across 16 other categories. The workforce is an aging one with 31% in the band 50-59 and 21% are >60 years of age. Staff turnover for the last two years is comparative, with a slight increase as staff reconsider their work life balance during the pandemic, but these figures remain below national average. CPD completed by Support Staff has a target of 10 hours, actual is 9.1, every member is different and there are specialist and diverse training. The large majority of training is external at 87%. Academic staff do 35 hrs CPD and is shared in C&Q. Staff Sickness has seen a decline during lockdown as staff could continue working whilst managing illnesses in isolation at home. Staff absence is increasing now we are back in the college. Regarding the Bradford scores, 14 reached intervention state, of which 6 went onto capability / disciplinary and two ill health retirements. Under staff capability, we have seen 1 support staff member at dismissal stage. In legal matters there is 1 tribunal case in progress, currently at ACAS mediation. There is a variation in the gender pay gap between male to female with females increase in earning more than men by 7.7%. The College HR strategy is explained in the report and we have offered huge amounts of wellbeing opportunities to the staff during the Covid-19 period to support staff during this time. Including: 16 staff being trained to date in psychological First Aid, free flu vaccines for staff and a Christmas holiday event.

ShR questioned with the aging workforce data compared to the staff turnover which is lower than national average, which is good, but what succession planning is in place and do we understand why we have low turnover of staff? SN responded. We have a low staff turnover as we are very niche both in location and subjects, we have very specialist staff and they tend to stay in one place. We are bringing Newly Qualified Teachers (NQT's) into some curriculum areas, we bring in students from university and have internal staff progression. Until staff leave, we cannot recruit or progress internal succession. We are obliged to advertise new appointments and where new appointments take place we do have staff turnover and new ideas, however staff applying for this area tend to be in the older age band. We have much competition from schools, who enjoy better pay and conditions, so FE doesn't attract new cohort easily, but we are doing well.

ShR asked with a lack of candidate availability, how is recruiting going, do we have many vacancies? SN replied, there are real issues in engineering and mathematics staff recruitment. We are getting industry recruits to train as teachers, but newly qualified graduates are going into higher paid industry roles elsewhere, however, we are bridging gaps through employers and industry recruits.

ShR we have not used volunteers since Covid-19, what are our volunteer use plans? SN answered, we do use volunteers in class, libraries etc but they do need to undertake a DBS check first. We do reach out for volunteers and recruit them where possible across all sectors.

RB asked about staff sickness, what is the Colleges policy on sick pay and statutory sick pay? SH responded, the College policy is full pay the first six months, 6 months half pay, then statutory minimum.

RB raised a comment on gender pay gap reporting and asked can we have an analysis of gender pay gap across role versus role? Or even a selective set of roles as a direct comparison between

Male and Female? SN we could probably **report on management / non-management, and support staff / teaching staff, but we can look into this - ACTION**

ShR asked is the Bradford factor commonly used in FE Colleges? SN explained its use and confirmed it is commonly used as it is aligned to our way of working.

ShR challenged, is it appropriate during Covid to use Bradford factor? SN, we found sickness reduced during Covid, but its use is more appropriate now staff return to the office and it triggers other actions that SLT can take.

## **RECOMMENDATION**

### **NOTED**

### **THE HR REPORT**

#### **8i. Financial statement**

BP commented that this was a pleasing set of reports. Macintyre Hudson, our external auditor, reviewed the financial statement and given a clean bill of health. The headline is a surplus of £723,000, a record when compared to prior years. The reason is that the pension evaluation was not as high as thought. The external auditors accepted a loosening of the pension assumptions and we had an increase in income, being successful with a number of grants and drawing down of additional funding.

The headline statistics are stated on page 6. We did well against the benchmark sector across all ratios. On the Governance section, the internal controls and regularity statement have been reviewed as required and we do have a statement of regularity. All the papers are recommended to the Board by the Audit Committee and Macintyre Hudson have given a clean audit opinion. The College income rose to £12.068M from £10.449M. We managed to maintain our cost control, however both staff cost and non-pay costs increased, but less than proportional income; this led to a surplus increase from £157K to £723K. It should be noted that we had an exceptionally high hit on actuarial pension valuation of £2.886M last year and this year we forecast pension assumptions of £1M, but the actual outcome was lower.

The Balance Sheet: asset increased from £12.4M to £13.193M, the cash balance rose from £2.6M to £3.651M, which is positive. Total net assets rose marginally from £7.467M to £7.528M. The College has positive reserves despite the pension impacts. Net cash inflow is healthy at £2.7M which is important from a business prospective, giving more resources to Teaching & Learning.

RB commented this is healthy and all going up, congratulations on the figures

ShR also congratulated BP; but challenged regarding the AoC College benchmark being a national benchmark, and asked, do we have a London or regional benchmark to compare to? BP

responded, we tend to benchmark against General Further Education Colleges (GFE), to exclude land based or Adult only Colleges. Essentially, we operate nationally for benchmarking purposes. SN there isn't specific regional data, but we are more successful than other London colleges. BP added, we compare ourselves against the whole sector, less those dissimilar colleges.

ShR we are obviously comparing ourselves to last year's data, as this year's is yet to be published, but it would be useful to compare to current data. SN responded that this will be shared as soon as released.

ShR asked about the statement of comprehensive income, the figures are negative in actuarial gain, is this due to the figures being lower than prior year? i.e. the loss has reduced?

BP, there is a surplus, but the actuarial gain still needs to be recorded on the Income and Expenditure and shows as a negative impact.

ShR, staff costs, previously there were changes in how this was presented, is the increment split correct? BP, we took advice from Macintyre Hudson and prepared the split in 5 increments but changed this on their recommendation to the shown banding to reduce gaps in the data. ShR clarified the unusual banding consistency. BP confirmed that they could be equal, but as it provided blank data responses, it was decided to band oddly to better show the data. ShR as long as Macintyre Hudson agree then it is not a problem.

**RECOMMENDATION  
NOTED  
THE FINANCIAL STATEMENT**

**8ii Management letter**

BP, Macintyre Hudson attended the Audit Committee and gave the standardised responses. They commented on the Financial Performance, as Good in relation to sector; the increase in turnover and the increase in asset base. They have reliance on the internal audit, but what is really pivotal is that they assess **the college as a going concern**. It should be noted that they provide an unqualified opinion. Their approach is risk based, they look at Corporate Governance, our risk profile, fraud aspects and non-compliance. This year they are following the ESFA new guidance, whereby they are instructing all colleges to look at funding assurance through ILR submissions to ensure veracity. The College also has Internal Audit who also review ILR numbers of learners data and funding audit, and this was also a clean audit. In relation to issues, there are none, however before you challenge this, they are very thorough, the audit took 2.5 weeks and was longer than normal. This response was also challenged by the Audit Committee with no issues seen. SN added, this was robustly challenged by the Chair of Audit committee.

ShR challenged, was there a change in the audit approach for ESFA turnover and is this reflected? BP responded, last year External Audit did not review the funding contracts. This year they have been told they must. This is the point raised before on ESFA new guidance. They must gain their own assurance on Funding from ESFA. We have had two sets of auditors looking at our use and compliance of ESFA funds. ShR, I thought Macintyre Hudson were to rely on Internal Auditors work? BP, no they relied on their own work in addition.

ShR noted typographical errors in the Macintyre Hudson report where they had used template document. SN noted they had been challenged on this already from Audit Committee.

**RECOMMENDATION  
NOTED  
THE MANAGEMENT LETTER**

**8iii Letter of Representation**

ShR can you advise what the changes are? BP, it is a standard letter, we are a going concern, making sure we have no breaches to loans, questioning related party transactions and post 31 July events, i.e. the period between year end and the accounts publication on 14 December. SN added, these are standard, regarding the areas the ESFA monitor, there is nothing in addition. In prior years they have raised questions. However, this year is a clean Letter of representation.

ShR point 31, audit adjustments, the section states we have made material adjustments as recommended by Macintyre Hudson, there have been no adjustments and none have been notified. Can we delete this material adjustments section? BP, I believe this should say they have not made any material adjustments. **BP agreed to confirm the negative statement with Macintyre Hudson.**

**RECOMMENDATION  
NOTED  
THE LETTER OF REPRESENTATION**

**8iv Initial Financial Assessment Letter**

BP reviewed the ESFA letter, as referred to in the management letter item. The ESFA wrote to all colleges and Chairs and highlighted the accounting officer accountable items; and the Committee needs to note this. RoH added, letter went to Board in October and was reviewed there previously. ShR noted.

**RECOMMENDATION  
NOTED  
INITIAL FINANCIAL ASSESSMENT LETTER**

**8v ESFA Financial Health Assessment Letter**

ShR noted this item was covered in the financial statement and that we are 'Financially Outstanding'. BP added, the College was only satisfactory a few years ago, but it just demonstrates how we have progressed over time; and how good we are at forecasting and output now. We are doing well but should note that all surplus funds go back into the Learner and the College development.

**RECOMMENDATION  
NOTED  
ESFA FINANCIAL HEALTH ASSESSMENT LETTER**

**8vi LGPS Actuarial Report**

BP, The College has two main pension pots, one is the Teachers' Pension Scheme, (TPS) backed by the Government, all teaching staff contribute, and the employer contributes. The Support Staff are Local Government Pension Scheme (LGPS), which itself has two pots; the Pension assets, which the employees contribute and the college contributes as an employer. That is compared with a pension liability, being the future cost of pensions. The gap between income and liabilities forecast 22 years in advance, compared to pension assets is measured; this drives the future rates and is based on a set of assumptions. These assumptions are based on increase in salaries, inflation (CPI), bond rates earnings. We have given our opinion on these pension assumptions, following advice from 'Higham's'. Previously we had very tough assumptions and the advice was to relax these with a lighter approach. The impact was a reduction in Pension Actuarial cost from £1m to £662k and giving us a surplus. Simon Radford has joined the Harrow Council LGPS Committee as an employer representative, and given us a report showing their investment strategy, how ethical they are and their low carbon agenda.

ShR this shows we are taking the lighter approach on assumptions. If we took the stronger approach, how would that affect us? BP, this year's actuarial valuation would have been nearer £1m, so we would still have had a surplus, however, we cannot predict this until we get the pension valuation at the end of year. So we forecast on the operating surplus and declare this after the pension actuarial assumption applied.

**RECOMMENDATION  
NOTED  
LGPS ACTUARIAL REPORT**

## 9. KPI Report

SN overviewed the actual, targets and progress during Autumn, these are November's figures:

Overall College Attendance Rate as at the 10<sup>th</sup> November is 82.1% against a target of 86%

- Overall College Punctuality as at the 10<sup>th</sup> November is 88.7% against a target of 91%
- ESFA 16-18 Enrolment Target is 1548 on the 10<sup>th</sup> November our 16-18 funded headcount is 1475, that's a decrease of 73 against our allocation
- ESFA 16-18 Funding allocation is £8,538,014 as at the 10<sup>th</sup> November our 16-18 funding is £7,772,903
- ESFA 19+ & GLA Target is 2100 enrolments (1000 heads) as at the 10<sup>th</sup> November our 19+/GLA enrolment is 2191 enrolments (987 heads)
- ESFA & GLA Funding Target is £1,781,822 as at the 10<sup>th</sup> November this is £1,709,116.
- ESFA ER Apprenticeship Funding Target is £59,064 as at the 10<sup>th</sup> November our apprenticeship funding is £19,507.
- ESFA 19+ Loan funding Target is £247,994, our income as at the 10<sup>th</sup> November is £185,699
- Key Financial Indicators are RAG rated Outstanding, and the Forecast Surplus is £26k, staff cost/cash ratio £2.85:£1 for the end of September 21.

SN proposed moving some figures to a cumulative to ensure like for like comparison. SN concluded, there is nothing of concern except the enrolment target

ShR approved the report and endorsed the cumulative measures suggestion  
No other comments.

### RECOMMENDATION

#### NOTED

#### THE KPI REPORT

### 9ii The Risk Register

SN highlight new or changed risks. Aim 1, 1.4 has moved to Green; we have added 1.7 climate change and the green agenda. Aim 3, we have added risk 3.7 climate change and introduction of Carbon zero for C&Q committee to manage. Otherwise, the risks are as expected for this time of year. Resources are responsible for Aim 5 and 6.

ShR happy with the current risk measures.

### 9ii Deep dive of a Risk from within Aim 5 or 6

ShR added, what do you think is the top risk that is not on the risk register? May be a future risk? BP suggested the development of the capital project would have own risks and separate risk register. SN agreed. BP commented on Covid risks. SN talked to the BCP plan and Strategic Operational Plan where operational actions that were not on the risk register were covered.

### RECOMMENDATION

#### APPROVED

#### THE RISK REGISTER

### 10i. Management Accounts

BP reviewed management accounts for 3 months to October 2021, reporting a surplus of £723k, subject to audit and Board approval. With a focus on the summary table, we are making a mixture of pay and non-pay savings. SN corrected the Executive Summary, highlighting the Year-to-Date data was for current year and not 2020/21 as shown. BP corrected. BP continued that Pensions impact is higher than previous and overall surplus is £11k below target this year, this is not of too much concern at this stage. We will still be funded for 16-18 this year, but with lagged funding, we

do need to consider what the situation will be next year. SN confirmed, funding is secure for this year despite target performance, due to the pandemic, however, the issue is next year. BP added, section 3, best case will be £150k with additional funds from catch up learning. Key ratios, things will improve as time progresses, but still healthy at present and with an improving diversity of income. We are still risk adverse and very happy with current performance. SN added, regarding the diversity of income ratio, we cannot diversify much further as we are limited by courses and contracts with ESFA and public funding.

ShR commented, regarding Ratios, can we compare YTD actual v prior year, to get a like for like comparison? **BP confirmed we can add to Report – ACTION**

### **10ii Monitoring Report**

BP noted the key additional information was learner targets, where a 16-18 learner is on the wrong funding band and is not getting the hours of delivery, we will push them up the funding band to get the right hours. SN noted, this generates additional income without changing the contract. BP continued, the shown funding of £423k relating to this will not be taken away from this year's funding, but may be adjusted in next years. There are programs like levelling up, budget investment in education, or similar, that may give additional funds and we will not know until there is a funding settlement. At this point, we must report there may be a reduction in funding of £423k, but we are working to mitigate any loss. SN added, we can mitigate losses, but not hitting target will impact next year's funding contract. This means hard work next year if we do not get that income.

ShR clarified, that this is a potential reduction in next years' funding and not a clawback of this years' funding. BP, yes that is correct. ShR when will we have clarity on this? SN, we do not know, but we are working now to mitigate. BP, noted that mitigation of efficiency savings are in progress, which could become structural in a worst case scenario. However, we working on efficiency plans now and most likely will not require structural changes. SN, staff are working harder to hit contract values, but we didn't secure the learner numbers retention from year 1 to 2, which led to the deficit. ShR will look at the ongoing impact next time the Committee meets.

## **RECOMMENDATION**

### **APPROVED**

## **THE MANAGEMENT ACCOUNTS AND MONITORING REPORT**

### **11i. Sub Contract Policy.**

BP, this policy is reviewed annually and is published on the website. Changes are highlighted. This is where the College uses ESFA or GLA funding to carry out specialist provision that we cannot otherwise do on site. We did have almost 20% subcontract, but over last few years we have reduced it to the current level of 4%. So, this policy relates to a small percentage of our delivery, which is predominantly in Hair & Beauty. We specify that our management fee is 15-20%, we retain this for quality monitoring, site visits, administrative functions and ensuring the provision is to the learner expectations. We need to show the prior year expenditure with a breakdown in the report. The key changes are in the report and the Policy itself is largely unchanged.

ShR clarified, are these quality and site visits utilising college employed staff or consultants? BP, all College staff, our Quality team, Heads of School, Deputy Heads and Curriculum Managers. SN added, the management and quality process is owned by the college and robustly applied to the contractors. All reporting goes through the College.

ShR, where do the results of these quality monitoring visits go? SN, ultimately to myself, but they are all included in the College overall Quality monitoring process.

**RECOMMENDATION  
APPROVED  
THE SUB CONTRACT POLICY**

**11ii. Direct Delivery Update**

BP, to remind you, this is the former subcontract work, where we have strategically migrated it to direct delivery through the satellite centres; these are essentially in sport, i.e. football, personal training and sports related activity. There is a distinct lack of sports provision in London, so we are keeping as local to the City or within commutable towns eg Dunstable. We have 6 satellite centres, Rainers Lane, Dunstable, Silver Jubilee Park, Crystal Palace, Welwyn and Richings Park near Uxbridge. These are all now directly employed staff and we hire the facilities. All these provisions are now classified as 'Direct'. We now monitor these provisions carefully for quality & financial performance. This report looks at the financial perspective and Quality is through C&Q Committee. SN, as we have migrated to Direct Delivery, you will see our staff numbers increase accordingly. The College assurance processes are applied equally to the satellite centres. Whilst delivery takes place at the satellite centre, the processes are the same as the College.

ShR clarified, that this is control over the delivery and student pathway. SN noted that initial [sub contract] provision delivery quality was poor, which was why we moved to a Direct Delivery model and it is now improved and robust.

BP continued noting the report explains the new titles, locations and number of learners at each location. SN added that the College has grown by 450 learners through sub contract, so this is now a significant part, suggesting this was an equivalent to a mini school, or department.

BP added that from a financial aspect, we are not seeking to make surpluses, but are making sure it delivers quality whilst remaining viable. The overhead contribution from the area is 35%- 45% as expected. SN noted we have invested in the centres, with an additional portacabin, new AV, wifi, etc. The student is not being disadvantaged but is getting good investment to ensure a good learning experience. BP used example of 'Tythe Farm' or Rainer's Lane site, a new portacabin has been installed. The centre has fitted air conditioning and is asking for a contribution, this has not been to Resources yet and we will discuss a contribution within capital budget and bring this to Resources in the future. This is within the agreed capital budget, but a contribution sum is yet to be agreed. SN added, we are also increasing resource for the overall provision through a new Head of School and an Operational Manager.

SN continued, there are also now progression pathways, as we have secured a Foundation Degree in sports with the University of West London, so these satellite groups will enter into university pathways.

ShR appreciated the better understanding of the Direct Delivery outcomes that were previously discussed [with Governors] at a strategic level. SN added, that although this is currently a Sports provision, we will diversify what is offered, to increase provision at Satellite Centres, eg Adult Learning, ESOL, refugee education, etc, to gain additional income.

ShR clarified, so we would develop beyond just sport? SN responded, not through subcontract, but yes through direct delivery opportunity to grow and diversify the curriculum offer.

**RECOMMENDATION  
NOTED  
THE DIRECT DELIVERY UPDATE**



## 12i. Property Matters Report

BP, in terms of a full report, we were expecting that by now, the DfE would have met with the College regarding the Capital build. But, the meeting has been deferred twice and is now scheduled for later this week and so, we are not in a position to report yet. We will provide an update to board in December. A brief summary of all matters is that the annual capital budget of £612k was agreed with the board in June; this was split between IT & Equipment and £250k for the T level capital improvement of Larch building. This was successful and staff have commented favourably. Grants that we have managed to draw down have been expended. Inc. £96k T level capital and £150k other capital which was expended in 2021/22. Of the £612k, the College match funded £366k. The T level discussion is noted in the report. Regarding the Capital Grant, there has been an initial feasibility study; since we last met, the technical assessment team has been engaged and has conducted a ground survey and determined the actual condition of the buildings. There have been regular weekly meetings and the biggest exercise we have had to complete is the guided learning hours. This is the total hours of teaching we need to deliver in a year and is based on the total number of students to calculate the space required. They have evaluated the proposed space requirement for the future number of students and discovered it needs to increase to between 13,300 sqM and 14,200sqM. SN added, the ESFA technical assessment lead, Beth Grevell, came to the College this week and reviewed the area in person; they recognised that the College does need a full refurbishment and new buildings. The estimation is that this is likely to be a new build and this will be confirmed later this week.

ShR asked will this be a confirmation. SN, at this stage it is still guidance and insight.

BP noted that even though we are 1 year into this activity, we are well ahead of other colleges at this stage. Hopefully, we will see further movement after the meeting this week.

ShR, when will resources see this? BP responded, 15 March committee meeting.

## RECOMMENDATION

### NOTED

## THE PROPERTY REPORT

## 13. Policies

There were 4 policies for review: Exams, Building Evacuation Policy, First Aid Policy and Pay Policy.

**Exams** -BP explained changes are to ensure we are compliant with Awarding Bodies. Policy changes were summarised. ShR asked, can I understand the steps taken to evaluate the policy to ensure it is compliant? BP, these steps are given in the overview of changes. ShR clarified, that someone has reviewed the Awarding Body guidance and related these changes to the policy. SN, correct. – The policy was **Approved**.

SN clarified that the process of review was the same across all policies.

**Buildings Evacuation Policy**- BP explained changes and stated that these are reviewed by insurers and auditors. ShR asked if it is tested? BP responded, yes, both planned and unplanned. – **Approved**

**First Aid Policy** – SN reviewed and noted new sections on Defibrillators. BP noted this is a similar format to previous. RB asked if First Aid training is offered to all staff and students? SN responded, it is offered to staff in some curriculum areas eg sports. But not offered unilaterally. – **Approved**

**Pay Policy** – BP reviewed. ShR noted these were minor changes - **Approved**

**RECOMMENDATION**

**APPROVED**

**THE EXAMS POLICY, BUILDING EVACUATION POLICY, FIRST AID POLICY AND PAY POLICY**

**14 AOB**

The meeting time was discussed, and it was agreed to have virtual meetings at 5:15pm and face to face commencing at 6:15pm.

**15. Date of next meeting - Tuesday 15 March at 5.15pm, online.**

**21. Review**

ShR noted it was a good first meeting as Chair.

SN, well chaired, and well challenged.

BP, will look at skills gap

RB, No other comments, robustly challenged

**Meeting continued with Part 2 Confidential**

**Part 1 Signed**

**Chair: Original Signed**

**Date: 15 March 2022**

## Action Points

Item	Action	Responsible	Timescale
7	<b>Amend gender pay gap reporting to show an analysis of gender pay gap across role versus role? Or even a selective set of roles as a direct comparison between Male and Female?</b> SN agreed we could probably report on management / non-management, and support staff / teaching staff, but we can look into this.	LE	November 2022
8iii	Letter of Representation, audit adjustments, the section states we have made material adjustments as recommended by Macintyre Hudson, there have been no adjustments and none have been notified. Can we delete this material adjustments section? BP, I believe this should say they have not made any material adjustments. <b>BP agreed to confirm the negative statement with Macintyre Hudson.</b>	BP	March 2022
10i	Regarding ratios can we compare YTD actual v prior year to get a like for like comparison? <b>BP confirmed we can add to Report</b>	BP	March 2022