Minutes of the Meeting of the Resources Committee Held on 9 March 2021 via MS Teams

Present
Viresh Paul (Chair) (VP)
Gideon Schulman (Vice Chair) (GS)
Sarbdip Noonan (Principal) (SN)
Rohit Bhatia (RB)
Kate Parsley (KP)(Item 9 onwards)

In Attendance
Bob Pattni (DP - Finance and Planning) (BP)
Naomi Shoffman (Director of Governance)(NS)

1. Chair's Opening Remarks

VP welcomed all to the meeting and confirmed everyone was able to hear each other. He advised the Committee that Rishi Bhanderi had resigned from the Board due to pressure of work commitments. VP also advised that the new member KP will be joining the meeting late due to a prior engagement.

VP proposed that as this was a long agenda, he will treat the reports as having been read and that members will just raise any questions.

VP confirmed there had been no Chair's action since the last meeting.

2. Apologies for Absence

Apologies for absence were received from Kate Parsley for lateness

3. Conflicts of Interest

There were no conflicts.

4. Minutes of the Meeting Held on 1 December 2020

The minutes of the meeting held on 1 December 2020 were taken as an accurate record subject to it being made clear that Simon Radford (SR) is the Governor to be appointed to the membership of the Audit Committee.

5 Matters arising not on the agenda

i. BP confirmed that the year-end Financial Statements were approved and signed off, with the various changes made by the Chair of the Remuneration Committee and other Governors, submitted to Auditors, then submitted to the ESFA by the 31 January 2021 deadline. BP said he will send a copy of the final accounts to VP.

ii. BP advised that due to pressure of work he was not able to produce a draft Reserves Policy for this meeting but will submit one to the June meeting.

6.i Key Performance Indicators (KPI's) as at February 2021
SN spoke to the report which shows a very positive picture; the Key Changes in the KPI's are summarized as follows:

- Overall College Attendance Rate at the end of February is 84.75% against a target of 85%
- Overall College Punctuality at the end of February is improving at 93.95% against a target of 90%
- Number of 2020/21 learner applications for 16-18 is 412 & 19+ is 170
- ESFA 16-18 Enrolment Target is 1471 at the end of February our 16-18 funded headcount is 1548, that's an increase of 77 over our allocation
- ESFA 16-18 Funding allocation is £7,682,780 at the end of February our 16-18 funding is £8,285,412.
- ESFA 19+ & GLA Target is 2000 enrolments (900 heads) at the end of February our 19+/GLA enrolment is 2068 (862 heads)
- ESFA & GLA Funding Target is £1,719,658 at the end of February its £1,564,417.
- ESFA ER Apprenticeship Funding Target is £80,000 at the end of February our apprenticeship funding is £99,794.
- ESFA 19+ Loan funding Target is £300,510, our income at the end of February is £120,909-
- Key Financial Indicators are RAG rated Outstanding, and the Forecast Surplus is £52k, staff cost/cash ratio 66.06% for the end of January.

SN said that achieving the 19+ Loan funding Target was difficult as due to Covid 19 learners were not able to take up the loans; however three learners have signed up this week. The loans are still being advertised and there should be more take up as new students come on board. SN said this will hopefully be mitigated with other areas over achieving; SN explained that the Government is giving out contributions to L3 qualification for certain areas and also with L3 loans but will only fund first time L3 learners so the contributions are not available for all; however this area is not critical to our financial success. With regards to 19+ we are looking at other ways to contribute to HE.

SN concluded by saying that the College is on profile to achieve everything else.

6.ii Risk Register & Deep Dive – February 2021 – review risks under aims 4, 5, 6
BP presented the Risk Register which is updated twice in a quarter. The College is making good progress against the identified risks and has been assured through the positive outcomes of recent internal audit reviews, that the College has made progress in terms of compliance and risk mitigation, allowing more areas to be RAG rated as GREEN from AMBER for the February 2021 review. BP then highlighted the movement the College is making against the detailed risks as per the report.

Top Key Risks that remain as Amber are:

- **AIM 4**: Taking the Curriculum Strategy to the next level in 2020/21 and securing a sustainable future for the College. There are none in Amber or Red
- **AIM 5:** Aligning Human Resources with the College's strategic direction. Risk 5.1, 5.6
- **AIM 6:** Establishing sound financial health for the College. Risks 6.2, 6.5, and 6.6

BP advised that the College is moving towards achieving the original year-end target forecast of £106k surplus. He said that the Audit Committee had commended this improving picture. There are other expense items such as mass testing to be factored in but as this is now being funded by the Government the College may make a surplus on this.

VP asked about insurance cover for loss of business. BP advised that under the College policy with UMAL BCP is in the policy, so we will be putting in a claim. UMAL have invited policy holders to put in a one off claim of £250k for loss of revenue which will need to be demonstrated. In our case with

– L3 loans we couldn't recruit last year because of lockdown and similarly with apprenticeships and the same may apply again this year if we can't achieve the target where previously we have achieved £300k. The College has a low claims rate so hopefully will have a case for loss of revenue. SN commented that everyone in the sector will be mitigating these losses through other income streams. RB asked when this potential windfall will be seen and BP advised that he won't provide for it until we know, but it may be towards the end of the calendar year. SN said that UMAL will look at the management accounts that are submitted every month. VP asked why they have set a limit. BP said he didn't know but in the College's case realistically we wouldn't be able to demonstrate losses o much beyond £200k.

GS asked for an update on the delayed implementation of the new finance system. BP that this was part of the follow up actions agreed with the IAS that because of the pandemic it wasn't possible to get this in place in time so it's been deferred for 12 months; BP confirm that he will update the Risk Register accordingly.

RECOMMENDATION
NOTED
THE FINANCIAL KPI'S AND RISK REGISTER.

8. Mid year HR Report

SN spoke to the report which was prepared by the Director of HR and provides governors an overview of the staffing and CPD data for the College during 2019/2020 and the first six months of 2020/2021. SN highlighted the ethnicity, gender, disability, and sickness, pay and age data as follows:

- **Staff ethnicity** – The staff profile is skewed towards those of English/Welsh/Scottish/Northern Irish/British who make up 36.2% of the staff mix. This is representative of the population of Harrow; however, it is less diverse than the student population. In 20/21 we have seen the strongest growth in Caribbean ethnic group rising by 3%. This is juxtaposition with the Black African ethnic group which has declined by -3%
- **Gender** - There is little change in the proportion of male and female staff in the College, with females continuing to outweigh the males in all categories with the exception of Support Lecturers.
- **Disability** - In 2018/19 the percentage of those staff declaring a disability as a proportion of the number of staff overall was 11.3%. This has increased to 15% in 2019/20 and is significantly higher than The FE Sector average for the proportion of staff declaring a disability which is is 5%. SN advised that occupational health and working adjustments are provided for those staff
- **Age** –In general, the highest proportion of staff are between 50 and 59 years old at 31.5%. 19% of staff are over 60 years old. 50.5% of staff are over 50 years old. SN said that the College staff is an aging population so we need to attract younger teaching staff as support has a large amount of young staff. VP asked how this can be done. SN responded that there are various incentive schemes and initiatives that can be used to attract younger staff as new appointments come up.
- **Staff turnover** – The staff turnover rate for 2019/2020 at 11.1% is below the average for the sector
- **Skills analysis** – The target for each member of support staff is completion of a minimum of 10 hrs CPD in each academic year (pro rata for fractional staff). CPD for support staff cannot be effectively rolled out in a single plan due to the diversity of roles that support staff, as a body, encompass. They cannot be treated as a cohesive group of people because they are made up of a number of discrete, specialist teams; therefore many courses are offered put they will be targeted at specific groups. The majority of external training attended by support staff is for specialist area updating, e.g.: employment law, safeguarding conferences, Exam Officers conference, funding, auditing, mental health awareness, mentoring boys etc. Additional courses

such as how to rethink your work space, planning a safe return to work, Covid19 and Fire Safety and Facilities Management were undertaking to inform the College's decisions relating to Covid19 and the health and safety of staff and students. Other specific areas have included management training for middle managers and General Data Protection Regulations. The target for each member of teaching staff is that they will complete a minimum of 35 hrs CPD in each academic year (pro rata for fractional staff).

- **Staff sickness** - there had been an increase in sickness absence, with the 2019/2020 autumn term exceeding the total annual absence in 2018/2019. We believe had it not been for the Covid 19 Lock down in March 2020 we would have seen that number spiral higher, as it is widely reported that organisations have seen a reduction in sickness absence during lock down. In 2020/21 there is a considerable reduction in sickness absence by the 35% during the autumn term. Bearing in mind that we went into Covid 19 Lock down again in the spring term, a further reduction is anticipated.
- **Covid Data -** We had 11 staff testing positive and 58 isolating due to contact with others testing positive or displaying Covid Symptoms. There were 9 staff classed as Extremely Clinically vulnerable and remained shielding throughout the pandemic. Due to the method of determining extremely clinically vulnerable having changed in February 2021 there has been an increase of numbers in this category. Currently it stands at 16 members of staff. As part of the support provided for staff and students during the pandemic there has been a focus on bereavement grief and mental health issues.
- **Short term absence and the Bradford Factor -** Short term absence can be very disruptive to a service and can severely affect the performance of the College and the services we provide. The Bradford Factor (BF) is a recognised way of monitoring organisational disturbance caused by persistent short-term absence for individual employees on an ongoing basis. Using the Bradford score and looking back on a rolling programme of 12 months, its monitoring has identified 9 members of staff reaching the formal intervention stage with a trigger point of 160+ Bradford score with 5 continuing to the capability/disciplinary stage having reached the trigger point of 360+. Of the 5, two have long term illness, two are pregnancy related and the other is relating to stress at work.
- **Appraisals** - Whilst we know teaching appraisals have been completed there are a number that needs to be signed by the reviewee before HR accepts these as completed. The support staff appraisals are lacking. However, the majority of those missing are from two support departments.
- **Legal Matters -** There are no cases at Employment Tribunal but there are two insurance claims for accidents on the premises (slipping on water spillage and back injury due to lifting books from floor)
- **Gender pay gap** – in the College, excluding senior Executive pay, females earn more than males.
  If we rank all of the staff by their hourly pay and then compare what the women in the middle of the female pay range received with what the man in the middle of the male range received, we get the median gender pay gap. We found that women in the middle of the female pay range receives 13% less than the man in the middle of the male pay range. This is a decrease of 3 percentage points on last year and represents a widening of the median gender pay gap from 2019. The median pay gap could be as a consequence of lower paid jobs such as LSA's, apprentices and administrators being predominately females. If we add together all the hourly pay rates that women earn, divide by the number of women in the workforce and then compare that with the same calculation for men, we find that women received 5.8% an hour less than men. This is a pay gender gap increase of 6.5 percentage points from 2020, which means we have widen the gap in 20/21. As a comparatively small organisation, the College's Executive team salary has a significant impact on our gender pay gap, so these have been excluded to provide a clearer picture of the workforce gender pay gap.

- **HR Strategy Reporting Services -** the HR systems, payroll and self-service have been successfully implemented and we now move on to the implementation of the E-Recruitment module which will give a better candidate experience during the recruitment process.

SN advised that the report shows that the traditional methods of learning not translate well to the remote teaching so this is the main thrust of CPD and new staff recruitment and resources and upskilling staff. The pandemic has provided an opportunity to look at different ways of delivery teaching and learning going forward.

GS asked in terms of capability how are lesson observations being carried out online. SN said that she believes that all lessons should be observed, however they are being delivered, and so the lesson observation programme has been adapted to continue online. GS observed that online delivery involves different skills sets, and coping with other problems such as technical issues etc. SN said that the criteria applied for online observations is different to those used for face to face observations and that there are a number of indicators that lead to capability not just one lesson observation.

RB asked about the implementation of the e recruitment module. SN said there is ongoing training for this and more of this will be covered at the strategy day.

VP asked if it was correct that there are no retirement figures and SN confirmed that was the case. She also confirmed that none of the capability cases have gone to ET. She reiterated that the Capability procedure is a very long process in order to ensure that every support and resource is given to the individual to help them improve their performance and dismissal is the last resort.

VP asked that the Committee's appreciation and congratulations be recorded on the CPD provided by the College to support staff through the Covid changes.

RECOMMENDATION
NOTED
THE HR MID YEAR REPORT

8.i Management Accounts up to 31 January 2021

BP said a positive picture that he would take item as read and highlighted the following:

- The College continues to operate under Government advice during the COVID-19 pandemic.
- For 2020/21 the Summary Income & Expenditure table below shows a surplus of £52k for the YTD, against a target of £39k surplus. This is ahead of target having paid the 1% pay award for 2020/21 of £73,726.28.
- The Forecast Year Surplus been increased to a £86k surplus to 31 July 2021 against the planned target of £106k. As previously advised the forecast positon is being pushed up due to additional funding mass testing revenue, income in terms of missed learning and cost and efficiency savings. The College is maintaining all employed staff even if they cannot deliver physically. It look like we are nudging closer to exceeding the £106k forecast, and potentially a surplus of £150k.

SN reminded the Committee that the College will not be allowed after 5th April to give a pay award to staff. So given this potential increase in surplus the Executive would like to propose giving staff a working from home bonus as was done last year which will cost between £8-10k. Assuming the £150k is achieved The Executive would also like to Committee to consider giving a bonus of £250 to all permanent staff, to staff in recognition of all their hard work during the pandemic which would cost around £50k . GS said we should put this on record now on the basis that we can always take it away if the target isn't achieved or reflected in outcome for students. The Committee agreed to they were in principle supportive of this subject to confirmation in June that the year-end surplus achieved will be over £100k after the bonus paid.

BP then advised that the pay to income is peaking but he is not overly concerned at this stage.

GS where would the staff salary incremental salaries are shown. BP explained how this is budgeted for but that it is not accounted for separately. GS said he would like to see a separate cost line for Governance which currently comes under cross College expenditure. BP confirmed that any grants awarded are shown separately.

8.ii Monthly Monitoring report
The Committee considered and noted the monitoring report which provides a strategic overview on the College's financial position to date.

RECOMMENDATION
NOTED
MANAGEMENT ACCOUNTS AND MONTHLY MONITORING REPORT UP TO 31 JANUARY 2021

KP joined the meeting. VP welcomed her to her first meeting and provided a summary of the items and discussion to this point.

9. Property Strategy – Update of Discussion with the DfE for T-Level and Capital Condition Funding
BP provided a summary of his paper and explained the background to both the DfE for T-Level funding which was approved in December 2020 and the recent approach by the DfE Capital Condition Funding team as follows:

- In terms of the T levels the College submitted a bid valued at £991k to refurbish the areas required for T-Level delivery maintaining the bid below the £1m threshold. The DfE T-Level Capital Team agreed to fund the College 'in principle' on a 50% match basis, essentially on this basis, the College would invest £495,750 and a further £495,750 would be funded by the DfE. This is the maximum we could raise as match funding.
- Following the submission of final queries, in December 2020, the DfE T-Level Team agreed to fund the College for the agreed capital funding and they are asking for the College to complete capital works in preparation for September 2021. The DfE appreciate that there may be delays in timelines, given the impact of the lockdown and the pandemic.
- In terms of the DfE Capital Condition Funding as previously reported, the DfE identified the College as requiring capital development based on the condition surveys submitted by the College to the DfE. The DfE had also sent out a cost consultant and architect to review the College in October 2020 and they based their initial meeting on their findings.
- The College was informed that the DfE Capital Condition Funding is also based on 50% match basis however, given the College success since the 2017 Ofsted, our academic recruitment and performance, the DfE have said that they were willing to overlook this match funding requirement. They came to this conclusion on inspection of our financial statements, and that despite the fact that we are assessed as financially 'Outstanding' by the ESFA, we do not have the capital reserves to invest in a campus wide development.
- The difficulty is with which team we are dealing with. The DfE Capital Condition Funding Team have said they would be prepared to support the College to fund the capital development consultancy fees, that would create a Property Strategy and a plan for campus refurbishment and re-development. They have appointed a Capital Projects Manager to support the work required.
- This is important, as the risk to all Colleges considering major capital refurbishment/ development is affordability, especially with the high costs of planning and consultancy, which can be significant without the assurance of capital funding. Stanmore College will then

continue to assess all capital development options internally and limit external use of consultants until DfE funding is assured.

- The Executive are clear and intent on delivering a capital plan in order to improve the College's accommodation and are also clear of the need to develop the campus estate for all staff and students.
- SN and BP at their recent meetings with the DfE Capital Condition Funding Team, explained that they would be asking the DfE to align their Capital Condition Funding Team with the T-Level Capital Team, as without this alignment, the potential level of capital refurbishment work and disruption for staff and students, would be much greater. To this end the heads of both Capital Teams have been invited to work together. Both DfE teams and the ESFA have suggested they will embark on these discussions however, Stanmore College should be seeking to carry out the capital refurbishment work to ensure we can deliver T-Level programmes from September 2021.
- This would involve refurbishing the science and IT labs for the School of STEM, classrooms in the Larch Building for the School of CHE and improvements to entrances. This work is a much more scaled down T-Level project as windows and externals are expected to be delivered by the Condition Capital Team. In addition, the reduced level of works will involve limited disruption to teaching and learning, as work can be started from July and finish in early September 2021.
- BP concluded by saying that he and SN were due to meet the next day with the Capital Condition Funding team who will make an announcement going forward. The DfE Capital Condition Funding team said they will fund whatever is needed.

RB asked whether there are any conditions attached and BP confirmed that there are conditions attached to both. RB asked if there was any monetary limit and BP said there will be.

VP suggested that the Committee postpone any further discussion until we know what the announcement is as we can always go back to the DfE funding. SN said this would be picked up at the strategy day by the Resources group.

VP then proposed and it was agreed that the College in the meantime accept the £95k finding for equipment which will be needed anyway to enable T Level delivery. The main decisions can be made after the strategy day discussion when we know what funding we have.

BP then explained that outside of the capital team meetings the College's ESFA account manager is strongly advising us to get the property strategy in place and so BP would like to engage the company to produce a property strategy. VP reminded BP that the Board had agreed in December 2020 to allocate up to £50k for this purpose and so he should go ahead and appoint the company as suggested.

RECOMMENDATION
NOTED
THE DRAFT PROPERTY STRATEGY REPORT

10. Any Other Business - none

11. Date of next meeting - Tuesday 22 June 2021 at 6.15pm.

At VP's request the Committee agreed to change the date of the next meeting to Wednesday 23rd June 2021.

The meeting closed at 7.41pm

Action Points

Item	Action	Responsible	Timescale	Status
5	**Matters arising not on the agenda** i. Provide a Copy of final accounts to VP	BP	March 2021	
	ii. Draft Reserves Policy to next meeting	BP	June 2021	
9	**Property Strategy** BP to provide an update on the Property Strategy at the Strategy Day	BP	March 2021	