

**Minutes of the Resources Committee  
Monday 30 January 2023  
Video Conference-Zoom  
4pm**

**Present:** Alasdair Simmons (AS) (Chair)  
Cliff Wragg (CW)(Vice Chair)  
Emelia Mustoe(EM)  
Ian Pryce CBE, Principal & Chief Executive (IP)  
Allan Schofield(Asch)  
Amanda Wagstaff(AW)

**In attendance** Pat Jones- Deputy CEO Finance  
Rachel Nicol, Group Director of Governance (Minutes)

**R/1/23 Apologies for absence**

Apologies for absence were received from Vinod Tailor.

**R/2/23 Declarations of interest**

There were no declarations of interest relevant to the items on the agenda.

**R/3/24 Matters arising**

There were no matters arising not covered elsewhere on the agenda

**R/4/23 Estates review**

The Director of Estates and Facilities presented the update on estates projects including:

**Corby Sixth Form**

The lease for the Corby Sixth form building was signed on 22 December and completed on 29 December 2022. A JCT design and build contract has been agreed with main contractor. The College is retaining a mechanical and engineering consultant to ensure installation and commissioning is appropriate. The intention is to finish the first-floor reception, classrooms and the Learning Resources Centre by Easter to provide assurance to parents and visitors that the building will be completed by September.

Tendering is taking place for IT equipment and furniture and assurance was given that plans are in place for utilities. The work centres around repurposing and renovating Chisholm House to be a carbon neutral building using the latest innovative



technologies. It was explained to the Committee that work across campuses to make buildings more carbon neutral results in a move away from traditional use of gas with a heavier reliance on electricity and increasing costs.

Prospective students have been interviewed and a further open day is planned for March.

Questions centred around:

*What are student numbers looking like compared to plans? 70 to 80 have already signed up with interest from the Kettering area.*

*What numbers do we need to ensure project is viable?* The Committee was reminded that initial modelling showed a loss for a few years but student numbers planned for September 2023 in the MTFS are 127. Assurance was given that focused marketing activity is taking place.

*Do we have capacity to increase numbers if demand is there?* All classes will be running so demand can be met.

### **Tower Block**

Work is progressing on windows and cladding and configuration of a new entrance at St Mary's gardens with no further design changes now anticipated. New heating has been installed and connected to river water heating. Two floors have been decanted at a time to enable work to be carried out with minimal disruption. The 6<sup>th</sup> floor has now been handed back.

Feedback on fire safety, including evacuation routes and timings is being reviewed and appropriate action taken in the context of risks and student experience. Evacuation routes and advice received was explained in more detail with plans to the Committee. The Committee was satisfied with assurance on mitigation of fire risks.

### **Kingshill farm**

Planning has been resolved and tendering for enabling works has commenced.

### **Leases and disposals**

The team are reviewing the estate following reclassification as public sector, in the context of floor area and maintenance cost position. Further thought is being given to requirements for break clauses.

Previous discussions and board decisions on the Motor Vehicle Centre were outlined and the Committee noted previous support to explore leasing the building. It was



confirmed that there had not been any interest in renting the unit and that the College would like approval to dispose of property. Surveyors are advising on the current position. **The Committee confirmed that the recommendation for sale was supported and it was agreed that this will be put to the Corporation for approval.**

Questions and discussion centred around:

- Curriculum decisions around relocation of plumbing and motor vehicle centres and learner number monitoring.
- Redevelopment of Bedford high street and whether new units are available.
- Position on learning centre in Corby and potential for new initiatives (DG to check)
- Silverstone Park current position - early stage discussions are taking place with an investment group, looking at options and potential timelines for development.

The Committee thanked the Director of Estates and Facilities and the wider team.

**The report was noted**

***The Director of Estates and Facilities left the meeting***

**R/5/23**

**MTFS**

The Deputy CEO Finance presented the paper. Funding settlements are due to be notified in March, providing some certainty in funding. Early ratios and formulas have been provided to enable modelling.

The team has been working through pension statements with the retained actuary and seeking agreement on risk categorisation. The impact of the Insolvency Act on pension funds was discussed.

The decline in HE recruitment was noted to follow the pattern of other FE colleges and the College is still seeking to understand the various factors impacting the numbers.

The combined model was presented but CBC are continuing to review their position following the termination of a subcontractor arrangement.

A budgetary gap still exists, attributable primarily to utilities costs but with some positive movement identified. Risks remain and assurance was provided on the work that Executive are looking at on leaner processes and group sizes in particular.

The Committee questions centred around:



- *Management of costs via the strategy of not filling vacancies and potential for losing staff in the wrong areas.* Work to identify areas where posts should be removed and enable management to manage was explained. The College remains sensitive to redundancies but assurance was given that staff turnover is sufficient to enable vacancies to be managed in this way. There is triangulation between the budget holders, HR and Finance.
- *Paragraph 24 list of activities and where the priorities are and whether they will be enough.* It is considered that a spread of activities will generate the savings required. An update was given on progress in terms of current areas of review. It is anticipated that numbers will be available in the summer. The priority is balancing the budget and putting money into payroll, with other adjustments being long term.
- *Sale of sites what is the nature of savings, insurance and what are the plans for reuse of sale proceeds?* These are taken into account and the College also openly monitors other initiatives such as the think tank on a 4 day week.
- *Is there a provision for CBC to increase the staff cost percentage?* No provision has been made due to the level of outsourcing and affordability issue. There is insufficient information to model it at the moment but end dates of outsourcing contracts are being monitored.

**The MTFs was noted and an updated version will be presented in May.**

#### **R/6/23 College information report**

It had been agreed that the item would be a verbal update.

The Deputy CEO Finance shared data on utilities costs. The current caps will not be relevant as they sit above what the College will pay under current arrangements. The team are looking at future arrangements, looking at balancing the need for certainty with the potential for reduced prices if we wait.

Performance against the Adult Education Budget (“AEB”) is being closely monitored, with the number of qualifications per learner lower than on previous reviews. The resulting impact on surplus and potential use of subcontractors are being reviewed. The Principal of Tresham will lead on a strategic review of AEB supported by the Marketing team.

Positive progress was reported in respect of capital grants and the cash position was noted to be healthy.

The Chair explained the context behind the verbal report but stressed the need for the Committee to be fully up to date on the financial position of the College. The written report will be available at the next meeting.

The Committee questioned whether there had been significant changes since the report to the December board meeting in terms of AEB and utilities in particular and was provided with assurance that the position on enrolments is reviewed daily to ensure the position is realigned.

The Committee encouraged the review of AEB in the context of community demand.

### **The update was noted**

#### **R/7/23 Capital programme**

The Deputy CEO-Finance presented the report highlighting the table on 4.2 setting out a summary of activity, main items in progress and those coming up where the College will become involved.

The potential for sales of capital and the treatment of sales proceeds in the context of the ONS decision was discussed. The current indication is that sale proceeds can be retained for now and reinvested in capital programme.

The outcomes of the recent site security review were explained. Recommendations have been received and considered by Executive with some work being prioritised and plans procured to determine changes. The Committee will be updated as findings are reviewed.

Discussions have taken place with the Local Authority's Director of Environment and the Council are supporting the College to develop natural surveillance in terms of hedge management, improved lighting and appropriate path width.

The Tower Block refurbishment has been reviewed for fire safety standards by a specialist firm. Any further work will be carried out in the summer to avoid disruption.

The residential accommodation at Shuttleworth was discussed and a salix bid has been received to enable improvement work to be carried out. Student voice and the impact on development was considered. The student governor was able to provide anecdotal evidence on the current position and how the students manage. The Committee questioned whether the College has explored the potential for partnerships with student accommodation providers but the position was noted to be complicated because of the lease arrangements.

The Committee sought to understand the value of grants, the alignment with expenditure and how this is spread across a number of years.



The 6<sup>th</sup> form expansion and decarbonisation project is coming to an end.

There are a number of energy efficiency projects being looked at across campuses, including new lighting at Kettering.

The Committee further discussed the capacity of the estates team and future succession planning.

Further discussion took place on the impact of swapping out of gas into electricity as part of the energy efficiency initiatives and increasing electricity costs as a result.

It was reported that the bank has confirmed the continuation of funding through merger.

**The report was noted.**

*The CEO left the meeting*

## **R/8/23      HR KPIs**

The Executive Director of HR presented the report.

The working establishment as at the end of December was confirmed as 839 against a working target of 847. The College works on a full time equivalent (“FTE”) basis with departments managing budgets to maintain a controlled establishment.

Problem areas reported included the reduction in invigilators since Covid and reduction in recruitment of teachers since December, although recruitment of support staff has gone up. Recruitment in general is running at the same rate as in the previous year.

Agency staffing is subject to tight controls with 41 currently in place compared to 60 at the same time last year. More than half were noted to be in teaching posts.

Staff turnover was discussed and figures noted to be monitored against the AoC workforce figures for 2021, and against the not for profit section. The College remains close to the average position but with a higher number of resignations in professional service areas.

Sickness has come down below the education sector average with harmonisation of Bedford College Professional Services contractual provisions having a positive impact.



Questions and discussion centred around:

*The workload of the recruitment team and how this is being managed.*

*Whether there potential to use HE teachers to do some teaching?* There is a combination of placements and students who deliver with mixed success on different courses.

*Whether the College is looking behind turnover, at statistics and potential times when the College may want a high turn-over?* Exit interviews are being prioritised to ensure intelligence is richer. The College is also looking at salary and benefits packages to attract and retain teaching assistants. Website information is being reviewed and an internal audit has been carried out on recruitment. The findings were as expected and the full report will go to the Audit Committee when finalised but also to the Resources Committee. Recommendations have been implemented and more managers will complete safer recruitment training.

It was reported that implementation of the Octo system has generated improvements such as anonymised shortlisting and work is now being done to ensure data is cleansed.

Assurance was provided on the management of the single central record.

**The report was noted.**

#### **R/9/23      People Strategy update**

The Executive Director of HR presented the report.

The CEO recruitment has gone live today.

Recruitment and retention have been areas of focus with one HR Manager leading on new employee induction and another leading on oversight of promotions to management. A pilot is being looked at for new or promoted manager to provide feedback on the induction given.

Values are being relaunched and embedded in different functions.

Job families are in place and in use but salary bandings are still to be aligned.

Policies have been written and issued where required.

The Committee discussed:



*Progress on merger and plans regarding alignment of job families and roles.* It was confirmed that data has been transferred and groupings reviewed but the current priority is the payroll. All employee relations matters have been consolidated on one system to facilitate precedent banks and more cohesive working.

*How the College looks at career pathways and motivation?* The HR team is working with professional development to ensure appropriate pathways and links are in place. The team are working with the Tresham Principal on localised recognition to ensure more timely recognition of achievement. Through the staff ethnicity forum, 3 people are now being sponsored on management training.

**The update was noted.**

#### **R/10/23      ONS reclassification**

The Deputy CEO-Finance presented a report updating the Committee on the implications of the ONS reclassification decision, bringing colleges back into the public sector. Highlights from both the Deputy Director-Finance and the Executive Director HR included:

- Borrowing and applications to the Education and Skills Funding Association (“ESFA”) for funding. They have received 70 applications to date with all new credit facilities and borrowing needing approval.
- Proceeds of sale of capital assets and potential treatment and limits on future application.
- Severance packages and restrictions.
- Write offs, potential treatment and dialogue to ensure flexibility of measures.
- Indemnities, guarantees and letters of comfort and position on subsidiary companies
- Insurance.
- Senior pay, restrictions and position on current recruitment campaign. The Chair of the Board updated the Committee on a conversation with DFE, approval process and political background.
- Novel contentious and repercussive transactions. It was confirmed that the College did seek consent for Corby lease but further work is being done to establish ground rules in this area.
- Dialogue around the potential change of accounting date and implications across the College’s operations.

The paper will be shared with the wider board.

**The report was noted.**

#### **R/11/23      Merger update**



The Deputy CEO-Finance provided an update and assurance on progress, matters outstanding and work being done.

The Deputy Director Finance – Control has been appointed as a non-executive director to the dormant subsidiary companies to ensure an orderly strike off.

A final resolution to merge will be circulated to the Board with a summary of assurances requested at the Board meeting on 8 December 2022.

### **The update was noted**

#### **R/12/23 Decisions under delegated authority**

There had been no decisions under delegated authorities since the last report in November 2022.

#### **R/13/23 Employee relations**

The Executive Director HR confirmed that no matters required reporting.

### **The update was noted**

#### **R/14/23 Minutes November 2022**

The minutes of the meeting on 14 November 2022 were approved as an accurate record of the meeting.

#### **R/15/23 Any other business**

The Committee noted the need for a further conversation on appropriateness of assumptions made in the MTFS and whether the model continues to be appropriate and understood by all the members. ***PJ over the next 12 months will reflect on the MTFS model against outturn, eg. whether percentages are still relevant and what Budgeting models might be most appropriate and why.***

There was no other business not covered elsewhere on the agenda.

#### **R/16/23 Next meeting**

The next meeting will take place on Thursday 11 May 2023 (moved to 17 May 2023)