

**Minutes of the Resources Committee
Wednesday 15 June 2022
Video Conference-Zoom
4pm**

Present: Alasdair Simmons (Chair)
Cliff Wragg (Vice Chair)
Alan Carvell
Ian Pryce CBE, Principal & Chief Executive
Allan Schofield
Vinod Tailor
Amanda Wagstaff

In attendance Gulam Fatima Deputy Director of Finance – Strategy
Dominika Kalinowska, Governor observing
Rachel Nicol, Director of Governance (Minutes)

Action

R/27/22 Apologies for absence

Apologies for absence were received from and Olly Mills. The Executive Director of Finance and Executive Director of HR were unable to attend the meeting.

R/28/22 Declarations of interest

Alan Carvell is a non-executive director of BCS Limited (a wholly owned subsidiary of Bedford College).

R/29/22 Matters arising

Dominika Kalinowska, a recently appointed governor was welcomed to the meeting as an observer.

R/30/22 Staff survey

The Principal and CEO introduced the item in the absence of the Executive Director of HR. The overall response rate was considered disappointing but the results extremely positive. Some of the best scores centred around the work of the Response Group and their management of Covid and around safeguarding. Areas of significant improvement since the previous survey included work load and ability to give upward feedback. Scores in relation to the values were also noted to be strong with managers noted as attentive and caring.

Committee questions centred around how representative the results are of the College position given the response rate, what can be done about participation rates going forward and the availability of breakdowns by region.

The Committee was informed that going forward survey collection will be carried out by the Marketing department and approaches to sampling will be reviewed.

Reductions in average outcomes by directorate for Quality and professional development and Bedford Sixth Form and the potential reasons, including staff changes and increased student numbers were discussed. The Committee also questioned the drop in associate satisfaction at BCPS.

It was agreed that the survey results will be placed on the portal and discussions highlighted in the rag report.

The Committee discussed anecdotal evidence and previous year explanations of the setup of the survey and need for further assurance for participants on the anonymous nature of the survey. ***The Executive Director of HR will be asked whether further explanations on how ID numbers are used would be helpful.***

It was questioned whether the feedback on management features into appraisals but this is not possible because comments aren't attributed to specific managers and results anonymised.

The Committee noted that there is now a baseline for inclusion and greater clarity around the meaning of wellbeing.

Allan Schofield joined the meeting

The Committee questioned whether results over a longer period can be compared. This will be considered by the Executive Director of HR but will depend on the consistency of questions over different years.

The Committee concluded that the results in most areas are positive but that participation rates are a concern.

The report was noted

R/31/22 HR KPI dashboard

The Principal and CEO presented the report and highlighted the impact of Covid sickness on different areas of the College. Retirements and resignations are causing some instability but the sector is generally considered unstable.

The strategic plan focuses on fewer but better paid staff and digital investment to tackle pay pressures. There is however a short-term period where there is a requirement for both capital and people investment.

The pay pressure in the sector is high with union demands noted.

The Committee questioned how the College will manage the challenges and the upward inflationary pressures.

The Committee asked whether there will be a change in the relationship between permanent staff and agency staff. It was confirmed that this will be considered as part of the people strategy. Historically there has been very limited use of agency staff and when turnover increases this results in a less regular supply of agency staff. ***It was agreed the position needs to be carefully balanced in terms of quality and the Executive Director of HR will be asked to review.***

The Committee discussed the options for more flexible payment models for staff.

Further questions centred around the sharp increase in BCPS sickness and the satisfaction levels reported in the survey. ***This will be further investigated***

The Executive had previously monitored long term sickness of individuals but this doesn't happen routinely as a larger Group.

The Committee questioned the sequence of processes for tracking long term sick and how this is managed.

The Committee asked about the historical award of attendance vouchers and whether withdrawal of these might have had an impact. Consideration will be given to whether there is a different way of tackling attendance and also to cultural influences as well as to the impact of isolation on the immunity of staff to other illnesses.

CW would welcome a conversation with the Executive Director of HR to understand the impact of Covid on the workforce culture.

The Committee noted that paragraph 2.4 is incomplete and the Executive Director of HR will be asked to complete the data.

The report was noted.

R/32/22 College information report

The Deputy Director of Finance – Strategy attended to present the report.

The current report set out the position at April, the previous report to the Committee having been based on February's data. The College is now predicting a deficit position of £100k. The indicative pension valuation is based on an earlier statement. The current gap on AEB was outlined and assurance given on the steps being taken to address the issue. It is hoped that the threshold will be met and that is the position accounted for.

The key factors contributing to the overspend on pay budget were outlined. These included sickness costing circa £200k more than in previous years and agency cover costs in covering provision.

[Confidential / commercially sensitive minute removed]

The decline in the cash position was explained as relating to 2 key elements, debtors and the cash relationship as explained and capital expenditure to secure materials for projects in advance of grant receipts.

Assurance was given that there is no risk of banking covenants being breached.

The report was noted.

R/33/22 Capital programme

The Deputy Director of Finance – Strategy attended to present the report which was confirmed as read by the Committee and set out the main movements from previous reports.

The Care Standards inspection at Shuttleworth had highlighted a number of items requiring attention. This had been covered in the report. Potential for applications for 16-18 transformation and capacity funds is being explored.

The Committee asked what the timeframe is for delivery of the improvements at Shuttleworth. The College is seeking to identify funding options and move projects forward while balancing the impact of depreciation. The Committee asked when the depreciation policy was last reviewed. It was confirmed that this is monitored regularly by the finance team in terms of managing the budget and impact on the student experience.

The Committee asked whether, where grants applications had been unsuccessful, lessons had been learnt. The Committee discussed the impact of both political influences and criteria for bids.

An estates update had been presented at the meeting in May. The Committee requested that an update on the progress on the ***two major capital projects be presented and discussed at the Board meeting on 7 July 2022 to provide assurance that projects are on track***

The report was noted

R/34/22 MTFS

The Deputy Director of Finance- Strategy presented the report and highlighted the key risks of the current pressures to the financial modelling. Key risks to the College and across the sector were set out in the report including pay pressure and NI increases.

An additional annex had been added to illustrate the impact to the financial health score (based on ESFA measures of adding £600k to the payroll).

The model at annex Bi was the recommended model but with a further model adding £1m to payroll also presented for illustrative purposes.

Even on the recommended model it was noted that there are gaps on pay and non-pay costs. The CBC MTFS has been based on their March position but with further updates still to be made.

It is planned that the key financial indicators based on annex Bi, together with a finalised consolidated position will be presented at the Board meeting on 7 July 2022 for approval.

The Chair outlined the position of the regulator and the current College strategy to continue with an outstanding financial rating.

The Committee sought to understand the relationship between the payroll as a percentage of total income and the increase in payroll costs. It was confirmed to move the percentage by circa 1 percent

Further questions were raised on the pressure to provide pay rises across the sector and risk of union involvement. The likely outcomes were speculated on.

The College recognises 2 unions but has low membership. The Principal & CEO did however consider there may be further pressure to explain the College model and that further consideration needs to be given to the appropriateness of the model for the macro environment. The split between outsourced provision, salaries and the impact on the pay percentage was discussed.

The Committee considered that it is also appropriate for all board members to refresh their understanding of the financial model. ***The Committee Chair will consider options for how this is taken forward with the Executive Director of Finance.*** The Principal & CEO reiterated that the MTFS is driven by community, curriculum, people and then the finances.

Following discussions the Committee supported the recommendation of Annex Bi to the Board for approval. *It was however agreed that a further explanation be provided on how additional money is invested in staffing. The Principal & CEO will seek to explain the relationship between excess spending and activity.*

The Chair highlighted the likely impact of actuarial valuations on the pension provision in the future and the risk this poses on future years.

The report was noted

R/35/22 Pay award

The Principal & CEO provided historical context and confirmed the pay award is now made from 1 December. Although historically the College has tried to keep in line with inflation, in the current year this is not considered affordable.

The College will continue to look at affordability of pay rises and flexible working practices to support staff.



A further update will be provided in the Autumn term when student numbers are known.

The Committee considered that expectations of staff should be managed.

The update was noted

R/36/22 Minutes 12 May 2022

The minutes of the meeting on 12 May 2022 were approved as an accurate record of the meeting.

R/37/22 Any other business

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

R/38/22 Next meeting

The calendar for the next academic year will be placed on the portal before the meeting on 7 July 2022