



Wirral Met College has a vision to be an inclusive, outstanding college

MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING

HELD REMOTELY ON THURSDAY 14TH MARCH 2024

Present: Gill Banks, Paul Gaskell (Chair), Ian Evans, Joanne Henney, Paul Smith

In attendance: Kevin Williams, Vice Principal – Finance, Estates & MIS
Lesley Venables, Governance Professional

APOLOGIES FOR ABSENCE

65 Apologies for absence were received from Laura Wilcockson (HR Director).

DECLARATIONS OF INTEREST

66 A standing declaration of interest was received from Paul Smith in respect of his employment by Wirral Borough Council and his spouse working in the College's employer engagement department.

MINUTES

67 **Resolved -** That the minutes of the meeting held on 4th December 2023 be approved as a correct record and signed by the Chair

MATTERS ARISING

68 Governors received for information a progress report on the actions identified at the previous meeting and noted that the majority of these were either completed, in progress or featured on the agenda.

69 Under minute 107 the Vice-Principal (Finance & Resources) reported that due to the recent turnover of staff in the Estates department, the development of the Climate Change Strategy had taken longer than anticipated. A new Director of Estates had now been appointed and proposals would be submitted for consideration at the Committee's June meeting.

70 In relation to minute 31 an Energy Efficiency Strategy and scheme of likely intervention measures would be aligned to the Estates Strategy that was currently being prepared.

71 Governors were advised that the preparation of a full draft project plan and business case for the Capital Transformation Fund project may require further time and management was currently considering the most appropriate procurement framework for the engagement of the design team. This meant that the Plan may not be ready for submission to the Committee until early in the Autumn Term, rather than June or July 2024 deadline (minute 30 refers). It was also important that the Plan aligned with other key strategies, such as the Curriculum Strategy and the Budget for 2024/2025 and beyond.

HR & WELL-BEING UPDATE

- 72 The Committee received a report on performance against key indicators, together with information on current HR issues and the draft Gender Pay Gap Report for 2022/2023.
- 73 Turnover had increased by 1.09% compared to the same point in 2022/2023, with some staff in areas such as Engineering and Construction choosing to return to industry for much higher salaries. The Principal added that the College's pay rates were still lower than other local providers, due to an antiquated grading structure that needed to be replaced. A job evaluation exercise had been considered to address this, but the cost (approximately £84K) and the negative impact on the organisation meant that an alternative was being implemented, benchmarking job roles to those of a non-competitor FE college in the North West. The aims of the process were to devise a simple, fair pay structure.
- 74 The Principal was asked whether the proposals on pay would impact negatively on the organisation and its financial performance and advised that a secondary and linked piece of work was ongoing in terms of aligning the College's finances with the curriculum/business planning process, which would be completed prior to the main enrolment period. It was noted that this was the first time these processes had been considered simultaneously.
- 75 The FE Commissioner's team had recognised that the senior leadership team had already identified many of the issues to be addressed in the Strategic Implementation Plan, which would enable the organisation to become more efficient. Curriculum areas would be accountable for their own financial and student performance in the future.
- 76 The Principal was working with her team to ensure that the College's data provided to governors and managers was in a more digestible format and would be presented differently in future.
- 77 The overall staff absence level had continued to increase and was now 7.02% compared to 6.22% at the same point in 2022/2023 and 4.72% for the whole of the previous year. Short term absence amounted to 4.10% of total absences to date, with the most frequent reason being minor medical conditions (39% of all absences), whilst mental health-related absence including workplace stress amounted to 18.5% of the short-term total.
- 78 The Principal highlighted the implementation of 'protected time' for all teaching teams for 2 hours each week to enable them to meet and share good practice. Management was currently consulting with the trade unions on a reduction in the number of teaching weeks from 36 to 34, but increasing the weekly teaching load to 24 hours, making an overall annual total of 816 hours.
- 79 Workload concerns that had been identified in the staff survey would be addressed in the planning process for 2024/2025. A new performance management programme had been devised and implemented, based on a coaching model.

- 80 The mean gender pay gap in terms of hourly pay was 14.42% and for the median it was 12.86%, prior to considering the roles that individuals undertake within the organisation. This was a considerable increase compared to 2021/2022, where the mean gender pay gap was 7.63%.
- 81 The upper quartile of staff was split between males (54.5%) and females (45.5%) in senior positions. The College's workforce was predominately female and, therefore, a significantly larger proportion of the other three quartiles were populated by females, which impacted upon the College's gender pay gap.
- 82 Governors were advised that the Gender Pay Gap Report for 2022/2023 needed some further work to contextualise the data provided and include some measurement of performance against sector benchmarks. In response to questions about the status of the Report, the Principal advised that the draft needed to be published on the College's website by 31st March 2024, however, she would be devising an action plan to address the gaps identified, progress against which would be monitored by the Committee.
- 83 The Committee requested benchmarking data on each KPI to be provided to future meetings, either from sector bodies or collected from similar-sized colleges. A governor commented that significant shifts in the data and the context provided in this report were already visible but recognised that further work was required.

PERFORMANCE AGAINST KEY INDICATORS

- 84 The Vice-Principal (Finance & Resources) presented a report measuring current performance against key indicators on the Balanced Scorecard to the end of January 2024.
- 85 The College's financial health grading was now assessed as 'Good' compared to 'Outstanding' in previous reports due to the increase in the staff costs to income ratio (73.59%). The operating surplus was £200K less than the agreed budget and the level of EBITDA had reduced from 10% to 4%, following the decision to award staff a 7.5% pay increase earlier in the year.
- 86 Governors were advised that the College had a significant amount of agency staffing (£700K to date in 2023/2024 and was projected to reach £1.3m by the year end). This was used to fill posts where it had proved difficult to recruit permanent staff and for sickness/absence cover. Such a position was unsustainable in the long-term and impacted negatively on student retention and achievement levels as the standard of teaching and learning tended to be lower than College staff.
- 87 The Principal commented that the College needed to have a 'bank' of staff on which it could fill any gaps in the overall complement. These would be on fixed term contracts, paid at a fair rate and given every opportunity to join the College's permanent workforce through training and development.

MANAGEMENT ACCOUNTS TO 31ST JANUARY 2024

- 88 Governors received for information the management accounts to 31st January 2024. It was noted that these now included a section that quantified any potential risks and opportunities.

- 89 Income levels for 16-18, Apprenticeships and High Needs Learners had increased compared to the approved budget, with reductions in income for the Adult Education Budget, Higher Education and Commercial strands. Overall the projected surplus at the end of the 2023/2024 was now £264K compared to £818K in the original budget.
- 90 Staffing costs had risen by £1209K, mainly due to the 7.5% pay award paid in December 2023, but also included the cost of additional staffing posts and individual regradings. The other main variances were: an increase in teaching materials costs of £500K; £100K of other teaching costs; and £100K for transforming the curriculum following the Ofsted inspection.
- 91 Governors were advised that the format of the cashflow forecast was being updated as the current version did not reflect the capital grants received in 2022/2023 and 2023/2024.
- 92 In response to questions from the new members of the Committee the Vice-Principal (Finance & Resources) provided a summary of the issues with the College's former sub-contractor, EBI Limited. Management had allocated a provision of £300K of 16-19 ESFA funding to take account of any potential clawback and £200K had already been included in the financial statements for 2022/2023. It was noted that any future sub-contracting arrangements would be subject to a high level of rigor and monitoring and regular audit.

ESTATES & CAPITAL PROJECTS

- 93 The Committee received for information a report on progress against each of the College's capital projects. The Vice-Principal (Finance & Resources) advised that there was likely to be a clawback of funding by the ESFA in respect of the T Levels capital project which was £41K underspent.
- 94 Work was underway to identify options for the use of the £7.7m of Capital Transformation Fund monies the College had received from the ESFA, which needed to be spent by March 2026. Proposals would be submitted to the Committee for recommendation for approval by the full Board prior to the end of the academic year. This was one of the key priorities for the newly-appointed Director of Estates, together with drafting a Climate Change Strategy (discussed under matters arising).

TOWNS FUND PROJECT UPDATE

- 95 The Vice-Principal (Finance & Resources) presented an update on the Towns Fund Project, which was part of the Government's Levelling-Up Strategy.
- 96 Progress towards concluding separate legal agreements with each of the 'spokes' of the project had been slow initially. However, the majority of issues were currently being resolved and the College had engaged the services of a project manager to ensure that the project was delivered by the deadline of March 2026.
- 97 Governors were advised that there had been a change to spoke 8 – the establishment

of a health and well-being hub at the Hamilton Square campus, due to management deciding to move the College's catering provision to that location. This may necessitate a clawback of £200K of funding by Wirral Council.

HEALTH & SAFETY

- 98 Governors received for information a report on health and safety activities since the December 2023 meeting.
- 99 A significant number of compliance issues had been resolved in the first term by the new Health & Safety Manager, moving from 18% compliance to 98%.
- 100 It was noted that the College only had a relatively small cohort of first aiders and fire marshals. This was due to staff being willing to be trained in these roles but reluctant to take on responsibility across all campuses.
- 101 The lack of trained minibus drivers and their availability was challenging and had the potential to impact on curriculum-based trips. The problem had been resolved in the short-term by hiring in external contractors, but this was expensive and needed to be centrally- controlled. Training costs had increased significantly over the last couple of years.
- 102 From September 2023 to date there had been a total of 127 accidents/incidents, the majority of which were classified as minor and occurred at either the Conway Park or Twelve Quays Campuses. There had been one serious incident involving students at the Wirral Waters site, resulting in police involvement.
- 103 The Vice-Principal (Finance & Resources) gave an assurance that staff were positively encouraged to report any accident or near misses and were given clear guidelines to follow. Management felt that there was a culture of under-reporting and would have expected more incidents at Wirral Waters, where the College's Construction provision was located.
- 104 One RIDDOR-reportable incident had occurred relating to asbestos in one of the College's buildings not being dealt with properly by external contractors.

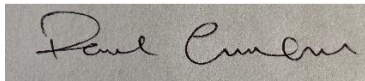
ITEMS TO BE REPORTED TO THE BOARD

- 105 The Chair summarised the main points of the meeting which would be reported to the Board on 27th March 2024:
- HR report was received, together with the Gender Pay Gap Report for 2022/2023 on which further work and contextualisation was required
 - Balanced Scorecard discussed – concerns noted on the level of agency staff. Governors informed that financial and business/curriculum planning processes are now in alignment.
 - Management accounts received for information and now include a section on risks and opportunities.
 - Update on capital projects
 - Towns Fund progress report was received – 2 spokes have been re-negotiated and there is a further spoke where the College may have to pay back monies to the Council due to changing that part of the project

- Detailed Health & Safety report was presented. Compliance levels have improved considerably this term. Accident reporting appeared to be low and this may be a cultural issue. One serious incident involving students was noted, together with an asbestos incident that had now been resolved.
- Strategies on Environmental Sustainability and Climate Change would be presented to the Committee's June meeting for recommendation for approval by the Board.

DATE OF NEXT MEETING

19th June 2024, 4.30 p.m.

A rectangular box containing a handwritten signature in black ink. The signature appears to read "Paul Cullen".

Signed: _____ Chair

Dated: 27th August 2024