



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

## **MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING**

**HELD REMOTELY ON THURSDAY 20<sup>TH</sup> JUNE 2024**

**Present:** Gill Banks, Paul Gaskell (Chair), Joanne Henney, Paul Smith – minutes 131 to 183

**In attendance:** Kevin Williams, Vice Principal – Finance, Estates & MIS  
Lesley Venables, Governance Professional  
Steve Johnson, Director of Estates & Facilities

### **APOLOGIES FOR ABSENCE**

119 Apologies for absence were received from Ian Evans (staff governor).

### **DECLARATIONS OF INTEREST**

120 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**

121 **Resolved -** That the minutes (Parts 1 and 2) of the meetings held on 1<sup>st</sup> March 2024 (special meeting) and 14<sup>th</sup> March 2024 be approved as a correct record and signed by the Chair

### **MATTERS ARISING**

122 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.

### **ESTATES STRATEGY**

123 The Director of Estates & Facilities presented an outline property strategy, which included minor capital works and plans to spend the £7.7m allocation from the ESFA's Capital Transformation Fund.

124 A list of projects had been identified across each campus and included relocating the entrance and widening the footprint of the Twelve Quays Campus, improving the elevation of the Hamilton Square building and enhancing the Prep4Life facilities at the Conway Park Campus.

125 Governors were reminded that the ESFA grant had to be spent by March 2026. No background work had been undertaken yet to ensure that other capital projects were 'shovel ready' in case there were further rounds of capital bidding processes.

- 126 In the past the College's estates strategy had centred around small-scale projects, which had been uncoordinated and piecemeal and had not involved any engagement with staff or students, There had been no standard classroom specification, which contributed to the lack of coherence across and within each site.
- 127 Due to the lack of useful information on the College estate a full survey had been commissioned, to determine ground conditions and services such as drainage. The Director of Estates & Facilities would be compiling an asset register, which would identify which items required regular maintenance and which may need to be replaced, for example the boiler system at the Twelve Quays Campus were nearing their life expectancy. The current maintenance system was geared towards being reactive to any faults/breakdowns, rather than effective planning for the future.
- 127 The College was developing a close partnership with Wirral Council with a particular emphasis on involvement in the redevelopment of the town centre.
- 128 Outline proposals for the Twelve Quays Campus had been drawn up in conjunction with the College's design team. The current building did not maximise the generous plot size and it was suggested that the best option was to replace the HE block (which resembled a portakabin) with car parking and to use the front of the existing building to expand the accommodation, whilst also extending at the rear and moving the entrance to the middle of the building.
- 129 A governor asked about appropriate signage for each building and was advised that this was critical to creating a presence in the community and to promote the right impression, encouraging both students and staff to have pride in being part of the College. Signage would be updated to align with the College's new branding, which reflected the values of growth, identity and professionalism and, hopefully, would attract learners.
- 130 The Committee asked whether the timescale for the completion of the Capital Transformation project was realistic and was assured that this was achievable, but would require some of the work to be undertaken during term-time to meet the deadline of March 2026.

**Paul Smith joined the meeting.**

- 131 Resources for this project had been included in the budget that was presented under a separate agenda item. A business case for restructuring the estates department was being prepared for consideration by SLT to provide additional capacity. In response to questions as to whether any of the Capital Transformation Fund monies could be used to support additional staff posts, the Director of Estates & Facilities reported that there was a fine balance between expenditure on resources and on the actual building work itself.
- 132 It was agreed that oversight arrangements of the capital project would be reviewed by the Governance Professional and Vice-Principal (Finance & Resources), including the establishment of a separate working group.

## HR & WELL-BEING UPDATE

- 133 The Committee received a report on performance against key indicators, together with information on current HR issues.
- 134 Turnover had increased by 0.34% 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.
- 135 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 had been used to devise a new, simplified and fairer pay structure. This was featured under a separate agenda item and would be submitted for approval by the Board on the Committee's recommendation. In response to questions about the number of posts where spinal salary points had been negotiated the Principal reported that almost every role was individualised currently, but this would be resolved by the new proposed pay scales.
- 136 Changes to pay scales for English and Maths lecturers had already been made and had impacted positively on turnover and absence rates.
- 137 The overall staff absence level had continued to increase and was now 6.84% compared to 5.75% at the same point in 2022/2023 and 4.72% for the whole of the previous year. Short term absence amounted to 3.77% 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. The College had adapted the absence reporting procedure so that managers recorded absence rather than individual employees.
- 138 A new Learning Management system was being considered to ensure better tracking and monitoring of training, with automated alerts to follow up on non-compliances, which would bring together individual records across a number of different existing systems. The Principal reported that there were some issues with compatibility with the CPD portal on the College's current HR system (Civica), which may necessitate additional expenditure (approx. £80K).
- 139 Consultations with the trade unions had now been successfully completed 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.
- 140 Governors received further information on the gender pay gap data for 2022/2023. On average females in business support management roles are paid 11.37% less than their male counterparts. For lecturing roles males are paid on average 6.64% more than females and this pay gap differs according to curriculum area. For example, in Health & Social Care female lecturers are paid 8.44% higher than males and females make up a large majority of staff in this area. In comparison, the largely male dominated construction area male lecturers are paid on average 3.87% higher than females. Further work would be undertaken on the reasons for these results and the College would review how this could be corrected in future.

- 141 One of the possible reasons cited in the report was the tendency for males to negotiate higher salaries, which was reflected at the College, as on average the starting grade for males is 3 scale points above the bottom in comparison to females starting at 1.35 points above the bottom of the scale.
- 142 Governors were advised that a significant number of HR-related policies required updating and any requiring Board approval would be submitted at the appropriate point in the year.
- 143 The Committee requested more contextual information on the level of staff engagement compared to peer colleges. The Principal commented that this was difficult to obtain nationally and regionally, but may be available through the various networks of SLT members.

### **THREE YEAR FINANCIAL FORECAST & BUDGET FOR 2024/2025**

- 144 The Vice-Principal (Finance & Resources) presented the Three Year Finance Forecast and Budget for 2024/2025. This was based on a learner cohort of 2469 16-18 students, 297 new apprenticeship starts, 157 higher education learners and XX adults in 2024/2025. No growth had been included in the Three Year Financial Forecast with the exception of HE provision which was projected to increase by 39 students.
- 145 The Adult Education Budget for 2024/2025 was projected as £3.6m. Historically, any gaps in AEB delivery had been filled by the College increasing its courses for taxi drivers, many of whom were not based in Wirral. The College was now developing adult provision that supported individuals to enter the workforce.
- 146 A governor asked about the national increase in the population of 16-18s and was advised that this was starting to reduce now. One of the College's main challenges was the number of learners locally who opted to enrol at City of Liverpool College.
- 147 The College continued to be graded as financially 'outstanding'
- 148 Governors received proposals for streamlining the number of spine points on the pay scales from 34 to 7 for teaching staff and from 70 to 20 for business support staff. Salary uplifts were proposed for staff at the bottom of the current scale so that they would be paid a competitive amount compared to peer colleges. The total cost of this process was £440K, with a 3% pay rise included in the draft budget for 2024/2025.
- 149 The Principal added that there were currently 84 vacancies, which was the equivalent of £2.8m or 44 teachers and that agency staffing levels were high for the size of the institution (£1.8m). Some managers were reluctant to relinquish vacancies in their areas, which prevented the College from modernising its structure.
- 150 Teaching materials provision had been completed revamped within the budget. A formula approach had been used and managers had the ability to use their allocations flexibly within set parameters.
- 151 Many pieces of specialist equipment used by curriculum staff were in disrepair. Maintenance of these items was now the responsibility of the Health & Safety Manager rather than within each department. An asset register was required to set a baseline for the maintenance programme.

- 152 There had been a significant increase in examination costs within the proposed budget, due to the number of students undertaking GCSE re-sits in English and Maths.
- 153 Overall the budget for 2024/2025 projected a surplus of £587K but there would be a deficit of £424K in 2025/2026. The College had no borrowings and the solvency ratio was high due to a substantial amount of cash held at the bank, with EBITDA at 3.19%. However, at 75% the staff to income ratio was high, which suggested an element of inefficiency. Governors asked whether any comparator information on staffing was available and were advised that Hopwood Hall College would be asked to share its data. Management felt that the staff utilisation figure of 84% should be nearer to 94%, which was contributing to the high staff cost to income ratio.
- 154 There was considerable scope for efficiency savings including increased class sizes, higher staff utilisation, managed remission, room utilisation, benchmarking of business support costs and energy consumption. Staff absence levels were also quite high and processes needed to be tightened up and applied consistently, particularly in relation to term-time only staff who had the highest incidence of sickness absence. The Principal reported that, although the College was graded as 'requires improvement' no staff were subject to the performance management process, which was unusual. Additionally, job roles were specific and did not permit multi-skilling of staff.
- 155 The Committee thanked the Vice-Principal (Finance & Resources) for the way in which the report had been presented and the clear rationale for the proposals on the budget and the new pay structure.
- 156 **Resolved -** That the Board be recommended to approve the Three Year Financial Forecast and Budget for 2024/2025, together with the proposals on the pay structure

## MANAGEMENT ACCOUNTS TO 31<sup>ST</sup> MAY 2024

- 157 Governors received for information the management accounts to 31<sup>st</sup> May 2024.
- 158 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 £647K compared to £818K in the original budget.
- 159 Staffing costs had risen by £1220K, 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 non-pay variances totalled 3363K and were mainly about pressures relating to Facilities, the purchase of IT equipment and increased Validation/Exam fees.
- 160 The College's cash position at the end of May 2024 showed a balance of £23.7 million and was forecasted to reduce to £21.2m at the year-end. This included monies received from the ESFA for capital projects (£12m). The financial health grading remained as 'outstanding' under the ESFA's classification criteria.

## **ESTATES & CAPITAL PROJECTS**

- 161 The majority of this report had been covered under an earlier agenda item.

## **TOWNS FUND PROJECT UPDATE**

- 162 The Vice-Principal (Finance & Resources) presented an update on the Towns Fund Project, which was part of the Government's Levelling-Up Strategy.
- 163 Progress towards concluding separate legal agreements with each of the 'spokes' of the project had been slow initially. However, legal agreements with 4 of the spoke organisations had not been signed with a further contract due to be signed over the next couple of weeks. The project involving the Probation Service had been deferred to November 2024 with the agreement of Wirral Council.
- 164 Governors noted that the College was developing a good conversion rate of adult students who were engaged through these projects.

## **HEALTH & SAFETY**

- 165 Governors received for information a detailed report on health and safety activities since the March 2024 meeting.
- 166 The current trips and visits policy had been reviewed so that the Health & Safety Manager approved any such trips to ensure that all necessary paperwork had been completed, staff were suitably trained and that procedures were followed.
- 167 A number of concerns had been identified in relation to the College's minibus fleet, including having the wrong vehicle classification on the DVLA database, incomplete records of staff driving history and lack of a regular maintenance programme. The fleet had been de-commissioned for a period whilst these issues were resolved and processes were now much more robust and systematic.
- 168 Management felt that the previous decision to purchase a fleet of minibuses had been erroneous as it meant that the College was responsible for servicing, insurance, MOTs without there being any processes in-house to complete these tasks. Once the current contract expired a hire arrangement with a local supplier would be implemented.
- 169 There had been an audit of fire safety at all campuses by Merseyside Fire and Rescue Service. A total of 4 out of 5 College sites had been classified as safe with some improvement actions and 1 campus was deemed unsafe with immediate actions which were being addressed.
- 170 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.

- 171 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.
- 172 From September 2023 to date there had been a total of 182 accidents/incidents (an increase of 55 compared to the previous report), the majority of which were classified as minor and occurred at either the Conway Park or Twelve Quays Campuses.
- 173 There had been no RIDDOR-reportable incidents since the previous report in March 2024.

## **FINANCIAL POLICIES**

- 174 The Vice-Principal (Finance & Resources) presented revised versions of the College's Key Financial Policies: Financial Regulations, Financial Policies and Procedures, Standing Orders for Contracting & Purchasing and Supply Chain Fees & Charges Policy.
- 175 Changes had been made to the job titles of various individuals (e.g. Deputy Principal/Finance Director is predominantly changed to Vice Principal Finance & Resources).
- 176 Proposed amendments to the delegated authority thresholds and the expansion of exceptions had been made. These were designed to improve operational efficiency without necessarily impacting negatively on internal control mechanisms. The suggested limits and arrangements had been based on a benchmarking exercise of a number of colleges in the FE sector.
- 177 The Vice-Principal reported that under the existing Financial Regulations there was no requirement to raise a purchase order to engage agency staff. This allowed curriculum managers substantial freedom to commit the College to expenditure which may not have been included in the agreed budget. The revised process was for all such requests to be considered by the SLT prior to agencies being approached to supply temporary staff.
- 178 In response to questions about having a list of 'trusted' suppliers, the Vice-Principal reported that there was now a 3-way matching process between the purchase order, the delivery note and the invoice. Currently there was one full-time (but unqualified) procurement officer within the Finance Team who would be changing jobs shortly. The College planned to purchase the buying services of the Crescent Purchasing Consortium for 2 days per week, which should bring about a higher level of efficiency.
- 179 The Committee noted that there were also new national procurement regulations which were effective from October 2024, with which the College would need to comply.
- 180 Governors were assured that the appropriate training on the new Financial Policies would be provided to relevant staff. In future the first 3 documents would be amalgamated into one to make navigation easier for staff and other users.
- 181 The Committee thanked the Vice-Principal for his work on this area.

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| 182 | <b>Resolved -</b> | 1 | That the Board be recommended to approve the Financial Regulations, Financial Procedures/Policies and Standing Orders for Contracting & Purchasing |
|     |                   | 2 | That the Board be recommended to approve the Supply Chain Fees & Charges Policy.   |

## ITEMS TO BE REPORTED TO THE BOARD

- 183 The Chair summarised the main points of the meeting which would be reported to the Board on 8<sup>th</sup> July 2024:
- Presentation on Estates Strategy – concerns included lack of a recent condition survey and asset register
  - HR report was received, together with further information on the Gender Pay Gap Report for 2022/2023
  - Management accounts received for information
  - Towns Fund progress report was received – 4 spokes have signed legal agreements, with a further 1 due shortly. The completion deadline for a further spoke had been extended to November 2024 in agreement with Wirral Council
  - Detailed Health & Safety report was presented – concerns in relation to minibus fleet and fire inspection at one campus. Accident reporting indicated an increase of 55 minor incidents since the March 2024 meeting.
  - Budget for 2024/2025 and Three Year Financial Forecast recommended for approval by Board, including proposals for a new pay structure
  - Revised Financial Policies recommended for approval by Board, together with Supply Chain Fees & Charges

**DATE OF NEXT MEETING**

9<sup>th</sup> October 2024, 4.30 p.m.

Paul Cramer

Signed: \_\_\_\_\_  
Chair

Dated: **9<sup>th</sup> October 2024**