



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

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

**HELD REMOTELY ON THURSDAY 4<sup>th</sup> DECEMBER 2023**

**Present:** Gill Banks, Tim Kelly (Chair), Paul Smith

**In attendance:** Nikki Leising, Financial Controller  
Kevin Williams, Vice Principal – Finance, Estates & MIS  
Lesley Venables, Clerk to Governors  
Ryan Morris, Administrator to the Governors  
Laura Wilcockson, Director of Human Resources

### **APOLOGIES FOR ABSENCE**

1 There were no apologies for absence.

### **DECLARATIONS OF INTEREST**

2 The following standing declarations were made:

Tim Kelly - any discussions on the College's Pension Schemes.  
Paul Smith – employed by Wirral Borough Council and spouse works in employer engagement at the College.

### **APPOINTMENT OF CHAIR**

3 **Resolved -** That Tim Kelly be appointed as Chair of the Finance & Resources Committee

### **MINUTES**

4 **Resolved -** That the minutes of the meeting held on 12<sup>th</sup> July 2023 be approved as a correct record and signed by the Chair.

5 The notes from the inquorate meeting held on the 12<sup>th</sup> October were noted.

### **MATTERS ARISING**

6 Governors received for information a list of actions from the previous meeting and noted that all of these had been completed or were in progress.

### **PERFORMANCE AGAINST KEY INDICATORS**

7 The Vice Principal – Finance, Estates & MIS presented a report on performance against key indicators up to October 31<sup>st</sup> 2023 in 2023/2024. Governors noted that it was very early in the academic year for management to assess progress against some KPIs.

8 All business & finance related KPIs are on track to meet planned targets for 2023/24, with the exception of the AEB income, for which SLT were currently looking at mitigating action to increase relevant delivery activity. With the exception of apprentice numbers, which was

10.5% below the target of 501 apprentices in learning for 23/24, all quality KPIs were on track to meet planned targets for 2023/24.

9 Regarding the strategic update, staff absence and staff turnover are above their target figures for 23/24, with staff absence being 5pp above the target of >3%, and staff turnover 1.72pp above the target of >1.5%. The average class sizes and staff utilisation were below their target figures for 23/24, with 2.7 students below the target of 15, and 5pp below 87% target, respectively.

10 A governor enquired about whether these targets would be met by the end of the year. The Principal advised that there was currently a curriculum planning process which would evaluate all areas which affect the KPIs positively.

## **MANAGEMENT ACCOUNTS TO OCTOBER 2023**

11 The Financial Controller presented the Management Accounts to October 2023, and advised governors that the College's financial health rating remains 'outstanding'.

12 The College's cash position at the month end shows a balance of £17.9 million against £15.8 million in the budget. This is due to the increased programme funding for 16-18-year-old income stream, increased high needs income and the additional cost of living payment from LCR. Treasury options are being maximised so that interest is earned on the College's healthy bank balance and is currently generating approximately £45,000 per month.

13 A forecast surplus at year-end of £548,620 is a £269,576 reduction from the budgeted surplus of £818,196. The key negative variance to cause this reduction is staffing costs being forecast to be £1,327,800 over budget. A full list of variances was provided for, with the key variances highlighted to governors and reasons for these provided.

14 The largest contributor to the reduction in forecast surplus at year-end has resulted from additional posts being approved following the budget being set in July 2023 and a 7.5% pay award, with 3% provided for in the budget.

15 The increased staffing costs have also caused the pay to income ratio to be in excess of 73%. Forecasts indicate that the year-end surplus will be lower than planned and that scrutiny will be placed on staffing costs over the coming months, to ensure that they are brought to within a 70% pay-to-income ratio.

16 The Chair enquired if the College was likely to move to a financial health rating of 'good'. He was advised a bottom up budgeting process was adopted for 23/24 with each curriculum area inputting into their own budget allocation, this will be further strengthened, by incorporating the curriculum and business planning process to seek staffing and non-staffing efficiencies.

## **FINANCIAL STATEMENTS 2022/2023**

17 The Vice Principal - Finance, Estates & MIS presented the draft Financial Statements for 2022/2023. The College had reported an overall operating surplus of £3,286k, compared to £1,350k in 2021/2022. After accounting for actuarial gains of £3,303k (2021/2022: £13,816k) in respect of the pension schemes the total comprehensive income was £6,589k, compared with £15,166k, in 2021/2022. The overall balance sheet position at the year-end showed net assets of £21,453k, compared with £14,865k in 2021/2022.

18 It was noted that total income had increased by £3,187k in 2022/2023. This was mainly due to an increase in funding body grants of £2,653k due to increased student numbers; an increase in income from other grants and contracts of £215k due to collaboration in SDF project; and an increase in other income of £202k due to an increase in commercial income.

19 Expenditure has increased by a total of £1,251k from the prior year. This is primarily due to the increase in staff costs of £1,601k, offset by a decrease in other operating expenses due to efficiencies made through cost control measures.

20 The position at the year-end shows a balance of £17.8 million against a position of £9.8 million at 31st July 2022.

21 Governors noted that the College's financial health rating was 'outstanding' for the full 3 years of the current forecast.

22 The auditors stated that the financial statements 'give a true and fair view of the state of the College's affairs as at 31 July 2023'.

23 A governor enquired if the people receiving enhanced pensions were being verified routinely by the College. He was assured by the financial controller that an exercise to verify the details of the recipients had been recently carried out, and that this would be done routinely.

## **ESTATES AND CAPITAL PROJECTS UPDATE**

24 The Vice Principal - Finance, Estates & MIS provided an update on progress against existing capital projects.

25 Currently, £448,056 of specialist T level equipment fund had been spent, against a total of £490,081 allocated. The intention was to spend the remaining £42k by the deadline of the 31<sup>st</sup> December 2023.

26 The College had signed the contract with the Council and is waiting on the draft sub contracts from the individual community partners (spokes). The sub contracts are with solicitors and amends being discussed. Refurbishment works will start on the spokes premises following sub contract signature by both the spoke and the College.

27 Out of the VP capital budget and sale of equipment, the College has spent a total of £69k on three capital projects which were completed during the summer of 2023. These included the creation of additional classroom space at Conway Park for prep 4 life, installation of additional welding bays at 12 Quays, and the relocation of aviary for animal care and repatriation of ground for motor vehicle provision.

28 The College has been awarded £7,706,537 from the ESFA's Capital Transformation Fund for improving the condition of its estate and this allocation is based on previous condition surveys. The funding is in 2 instalments, £1.8 million in May 2023 and £5.8 million in May 2024, with all funding to be spent by March 2026. A plan of the proposed spend was submitted to the ESFA by the 31.7.23 deadline but no work has been started as the plans are currently under review by the Executive Team and a firm of Architectural designers being consulted on with regards to a longer-term developmental strategy around the 12Quays and Conway Park Campuses. Changes to be submitted will be subject to Board approval before a formal change request is submitted.

29 The College was awarded a capital allocation of £250,887, and funding received in January 2023. The purpose of this funding is to improving the energy efficiency of the estate. A base-line study was commissioned to assess the College's current position on energy use

and carbon output and was carried out by an Energy Consultant from Scotia Energy. This has identified areas of inefficiency or potential for interventions which are being considered in conjunction with the Capital Transformation Fund allocation. An overview of the draft Strategy and scheme of likely intervention measures will be brought to this Committee as soon as it is available.

## **HR AND WELLBEING UPDATE**

30 The Committee received an update on progress against key performance indicators identified within the People Strategy.

31 Governors noted that there had been an increase in the staff turnover rate, compared with the same point in October last year, from 1.9% to 3.2%, however the college performed marginally better than the national average in employee turnover with 17.62%, compared with 17.8%. Leavers' impact on departments varied, with a notable 10.71% turnover in English and Maths, and 23% of 59 exit interviews revealed culture-related issues as reasons for leaving. A detailed action plan is now in place including recruitment campaigns and a generous pay award.

32 Short-term and long-term absence have increased as at the end of October, compared with the same point in the previous academic year, from 5.44% to 8.08%, and 2.36% to 4.38%, respectively.

33 Absence management training had been provided recently for all line managers and absence processes had been reviewed to place greater emphasis on wellbeing support and proactive management prior to warnings being issued. Absenteeism due to mental health issues increased, aligning with UK trends, resulting in 68 working days lost. A provision for mental health support, advice, guidance and signposting as well as dedicated mental health first aiders, wellbeing rooms, and efficient employee assistance programmes, are in place to attempt to reduce this loss.

34 In October 2023 Wirral Met College hosted its first event dedicated to employee health and wellbeing. The event was scheduled on a working day and employees were required to either participate in the event or work as usual. Over 300 colleagues joined in the event which hosted 119 different health and wellbeing activities. Following the event an evaluation survey was sent to all staff with 98% of respondents reporting to have positively enjoyed the event and 97.1% of respondents wanting the event to return next year.

35 The wellbeing day cost a total of £10,000 which included a bought in lunch provision for employees. A return on investment analysis will be captured through employee retention, engagement and absence tracking over the next six months.

36 An exercise to review the terms and conditions of employees across the business has recently been undertaken. This identified a need to uniform working hours for all employees with support colleagues currently having a 37-hour working week compared to support and management on a 35-hour working week. The impact of this would be a total reduction in weekly working hours of 463.48 without employees experiencing a loss in pay. The College needs to embrace smarter working practices and streamline systems to replace for reduction in hours, and this will be a managed approach.

37 The Chair enquired about the progress of the new HR software system. He was advised that the appointment of CIVICA software system has been a cost of £150,000, and there will be an additional cost circa £30,000 for a payroll bureau service. Civica is still in the final build

phase, and due to some complexities with building the software, the initial deadline of 1st October has been pushed back to the 1st January 2024.

### **COMMITTEE SELF-ASSESSMENT 2022/2023**

38 The Governance Professional informed governors of the committee self-assessment for 2022/2023.

39 Attendance has been 82% against a target of 75%, which was impacted by the long-term absence of one external governor.

40 There was an Initial membership was 4 external governors and principal, however this reduced to 4 part-way through the year due to resignation of one external governor. The FE Commissioner has stated that college boards should have 2 governors with financial/audit/risk management expertise/background. The current governor recruitment process includes search for individuals with experience/skills in areas identified.

41 A summary of activities was provided, and areas for improvement included greater focus on environmental sustainability issues and ensuring governors are aware of benchmarking data, which will be included in the action plan within the annual governance report.

42 **Resolved -** That the committee self-assessment be approved for 2022/2023.

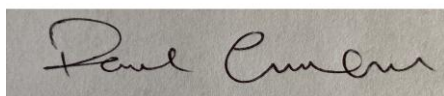
### **ITEMS TO BE REPORTED TO THE BOARD**

64 The Chair summarised the meeting and identified the following items which would be reported to the Board on 15<sup>th</sup> December 2022:

- Performance Measures against Key Indicators noted
- Management accounts received for information
- Financial Statements for 2022/2023 noted
- Progress reports on capital projects/bids and HR Strategy received for information
- Committee self-assessment approved

### **DATE OF NEXT MEETING**

15<sup>th</sup> March 2024



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

Dated: 2<sup>nd</sup> April 2025