

OLDHAM COLLEGE
RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 28 November 2017

Present:	Members:	Riaz Ahmad	Chair of the Resources Committee
		Anne Gornall	Vice Chair of the Corporation
		Kashif Ashraf	Governor
		Graham Fleming	Associate Member
		Alun Francis	Governor (Principal)
		Laura Smart	Governor

Officers:	Janet Frost	Clerk to the Corporation
	Rebecca Johnson	Asst. Director of Finance
	Allan Tyrer	Interim Director of Finance
	Debra Woodruff	Deputy Principal

Apologies: None received

20/17 **Apologies for Absence**

All members of the Committee were present.

21/17 **Declaration of Conflicts of Interest**

There were declarations of interest reported.

22/17 **Permission for Officers of the Organisation to be Present**

Permission was given for officers to remain in the meeting

23/17 **Minutes of the Previous Meeting held 3 October 2017.**

The minutes of the previous meeting held 3 October 2017 had been circulated to members prior to the meeting for their consideration.

It was **RESOLVED** that the minutes of the meeting be approved and signed by the Chair as a correct record of the meeting.

24/17 **Matters arising from the minutes of the previous meeting**

There were no matters arising.

25/17 **Rolling Action List Update**

- i. **3 October 2017 Min 9/17 - Management Accounts for July 2017**
Draft Financial Statements for the year ending 31 July 2017 to be presented to the Full Corporation at its October 31st meeting
It was **RESOLVED** that this action was complete.
- ii. **3 October 2017 Min 9/17 - Management Accounts for July 2017**
Final accounts will be presented to the November Resources Committee and to the Corporation for approval at its December 2017 meeting prior to submission to the ESFA
It was **RESOLVED** that this action was complete.
- iii. **3 October 2017 Min 9/17 - Management Accounts for July 2017**

The FE Commissioner benchmarks be updated and reported to the November 2017 meeting.

It was **RESOLVED** that this action was complete.

iv. 3 October 2017 Min 14/17 - Health and Safety Annual report

To be presented to the Full Corporation for approval at its October 2017 meeting.

It was **RESOLVED** that this action was complete.

v. College Staff Annual Pay Review

The Director of Finance review the pay award options and report to the November meeting, and

Complete a procurement exercise to appoint a HR Consultant to carry out a review of the recruitment, development and management of staff.

It was **RESOLVED** that this action was complete.

26/17

Principal's Report (Item 8)

The Principal provided a verbal update to members on a number of key areas including:-

- The Strategic Plan is currently being refreshed and will be presented to the Full Corporation at its December meeting
- Noted that GM are going to pilot its own Industrial Strategy and although we cannot be distracted by this it must be part of our future
- The Standalone proposition is competed and presented to the FEC by 18th December 2017. The next visit by the FEC will be in January, noting that the date had not yet been confirmed
- The College will submit its application in the second round of bids for GMCA Skills Capital funding in March 2018, with the outcome reported August 2018. A member asked if it would be detrimental to not submit the College's bid in Round 1. The Principal advised that he and the Director of Finance had attended a session with GMCA where they had been informed of the process including the criteria for the bid, which showed that a submission at the 2nd stage would have an improved chance of succeeding.
- The SCIF bid was being developed in partnership with Dudley College and would be submitted early December 2017
- The College continues to seek a resolution with the UTC building and meetings continue to take place with the Schools Commissioner team

A member asked to what extent does the budget and improved performance rely on getting the SCIF bid and Skills Capital Funding. The Director of Finance responded that the budget for 2017/18 does not assume any bid funding and any funds that are secured will be additional.

The Chair thanked the Principal for the report.

It was **RESOLVED** that members noted the report as presented.

27/17

Financial Statements for 2016/17 (Item 8)

A report detailing the draft management accounts for 2016/2017 had been prepared by the Director of Finance and previously circulated to members for consideration. He advised that the draft accounts had been considered by members at the previous meeting and noted that there were no changes to report.

Members considered the report and the following questions and comments were raised:-

- The overdraft interest has increased however the loan has reduced – it was reported that the loan had changed from a fixed rate loan to a variable loan with the rate being

protected against future interest rate rises and therefore will be same each year going forward.

- Noted that the financial health grade will improve to 'good' in 2018/19
- It was reported that the overdraft would be repaid by 2020 and that by this stage all FEC benchmark indicators would be 'green'
- A member asked if the Bad Debt provision was adequate, and it was reported that a bad debt provision of £117k had been included in the accounts noting that the debts would continue to be chased even though the provision had been made
- In response to a question raised it was reported that materiality was £300k

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It was **RESOLVED** that:-

- (i) members approved the Financial Statements for the year ended 31 July 2017 subject to audit confirmation of the figures,
- (ii) approved the bad debt provision of £117k.

28/17

Management Accounts for October 2017 (Item 9)

A copy of the management accounts up to October 2017 had been circulated to members prior to the meeting. The Director of Finance summarised the key points:-

- the income targets were in line with projections and whilst no over performance had been factored in this was a possibility in apprenticeships and HE
- Pay costs look likely to overspend by £50k as additional resources had been added to Safeguarding and Student Support. A member asked what the staff / agency ratio is and the Director of Finance reported that this is extremely low with the budget for agency being less than 1.5% of the total payroll cost (compared to 4.1% in 2016/17)
- Non pay costs are forecast to be below budget due to the MCC partnership being delayed for a further year
- Noted that none of the bids, SCIP and Capital Skills Funding have been included in the projections
- Marketing costs have increased. Discussion took place regarding the impact of the marketing campaigns that had taken place since the summer and a request was made for an impact report to be presented to the next meeting
- Noted that whilst 16-18 funding totals £11m in 2017/18, this will reduce in 2018/19 to £10.4m
- Reported that EFA adult funding will be similar in 2018/19 as this year, whilst EFA high needs funding will increase by £12k next year
- The 19+ classroom income will be achieved
- Noted that it is difficult to predict the 16-18 apprenticeship income however it was reported that achieving the target was looking very likely
- HE – the plan had projected the same number of students as 2016/17. However this has been exceeded. As yet the 'drop out' number is unknown and therefore the revised budget is not determined
- It was reported that the greatest use of the overdraft facility will be in April 2018, however the position has improved greatly compared to 2016/17 with the headroom at April improving compared to the previous year.

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In discussion a member asked where additional funding would be directed if available. The Principal responded that improving outcomes is the priority and therefore interventions to support the underperforming areas would be the focus of any additional funding that became available.

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It was **RESOLVED** that:-

- (i) members received the management accounts as at October 2017 and noted the position
- (ii) A report be presented to the next meeting on the impact of the marketing campaigns that had taken place since the summer 2017

29/17

Treasury Position and Cash Flow (Item 10)

A report detailing the cash and treasury position of the College had been prepared by the Director of Finance and previously circulated to members for consideration and information. The Director of Finance presented the report, advising members of the cash position as at 31 October 2017 for each loan and overdraft / cash balance. A discussion took place and the following points were highlighted:

- The two loan facilities with Santander were noted including the current position on the accounts
- The overdraft position was reported noting that the College will go into overdraft in late December (in 2016/17 the College had gone into overdraft a month earlier in November 2016). Members were advised that the low point on the overdraft continues to be in April 2018.
- The current balance and forecast sheet for the year end was noted
- It was noted that the College was not in breach of any of the loan covenants.

It was **RESOLVED** that members noted the report as presented and endorsed the current position.

6.00pm - Pam Cowen Head of HR joined the meeting

30/17

Equality and Diversity Staff data 2016/17 (Item 11.1)

The Head of HR had previously circulated a report that provided an update on the current position of the College compared to the E&D targets that had been set in 2016/17 and also provided an overview of the staffing profile of the College and UCO.

The Head of HR focussed on key areas of the report. In summary:-

- Noted that interrogation of the recruitment data was to be carried out as in compiling the report it had become apparent that there had been disparity between the number of applications from the Asian/Asian British community compared to the number of successful appointments
- Noted that the staff population remained static
- Noted that staff with a disability had reduced over the past 10 years with only 4.8% declaring a disability.

Members discussed the report and requested that comparable data be sought from neighbouring colleges to identify trends / concerns.

It was **RESOLVED** that:-

- (i) Members received the report as presented,
- (ii) Requested that comparable data be sought from neighbouring colleges to determine trends/ concerns and report on this to be made to the Resources Committee in June 2018.

31/17

HR Key Performance Indicators 2016/17 (Item 11.2)

The Head of HR had previously circulated a report that provided an update on the progress in achieving the KPIs set in 2016/17. The Head of HR drew members attention to key areas of the report:-

- The sickness absence rate for 2016/17 was 5.75% (6.3% 2015/16). The target for 2017/18 is to reduce this to below 4.5%
- Short term absence has increased considerably this academic year
- Noted that the Sickness Absence Procedure has been rewritten to incorporate measures to help address short term sickness

Members discussed the increase in the number of recorded sickness days and asked what steps were being taken to reduce this. The Head of HR reported that the Sickness Absence Procedure has been rewritten to incorporate measures to help address short term sickness, Heads of Faculty and HR have joint meetings with employees to offer support where necessary and return to work interviews take place.

Further discussion took place regarding exit interviews for those members of staff that leave the organisation and it was reported that this process needs to be improved and the processes are currently being reviewed by the HR team.
It was **RESOLVED** that members received the report as presented

6.20pm – Pam Cowen retired from the meeting

32/17 Risk Management Register (Item 12)

A copy of the Risk register had previously been circulated to members for consideration. The Director of Finance reported that no changes had been made since the last meeting however, it was proposed that a risk should be included to reflect the changes to governance including the controls and actions to mitigate any risks. Members supported the inclusion of a risk relating to governance.

The Director of Finance continued advising that the Audit Committee at its 30 November 2017 meeting would review a new reporting format and the updated version of the risk register would be presented at the Resources March 2018 meeting.

It was **RESOLVED** that:-

- (i) members noted the Risk Management Register as presented,
- (ii) agreed the inclusion of a risk relating to Governance,
- (iii) noted that the updated Risk Register would be reported at the March 2018 meeting in the new format.

33/17 Review of Financial Regulations (Item 13)

A copy of the revised Financial Regulations had previously been circulated to members for their consideration. The Director of Finance advised that there was one fundamental change and three minor amendments to report:-

- proposed change to the College's tendering procedure – increasing the requirement to go out to tender from £30k to £50k
- the amount that procurements be reported to the Resources Committee will remain at £30k
- names and job positions have changed to accommodate staff leaving and new appointments
- removal of references to the College purchasing cards
- all cheques must be signed by two signatories.

Members noted and approved the changes.

It was **RESOLVED** that the Financial Regulations as presented were recommended for approval to the Full Corporation at its December 2017 meeting.

34/17 College Staff Annual Pay Review (Item 14)

The Director of Finance had previously circulated a report that provided members with an update on the College's options and proposed actions relating to the 2017/18 pay review. As reported at the previous meeting the College had not given a pay award for two years, but within that period a number of staff had received automatic time based increments and a number of new staff had joined the College and therefore were not affected for as long. The Director of Finance had provided three options for members to consider, noting that the cost of a pay award had not been built into the salary budget for 2017/18. The Director of Finance continued and advised that after considering areas of the college where potential savings could be found he reported that a pay increase at the amounts indicated could be identified.

Members considered each of the options and agreed that the giving of a pay rise will build staff morale and send a message that the College is financially improving. Members were particularly keen to support the lower paid staff and supported management in progressing the organisation to become a living wage employer.

The Chair summarised the member's comments and concluded that they supported Option 1 and 3 combined at a cost of approximately £105k to the organisation in 2017/18.

It was **RESOLVED** that members recommended to the Full Corporation that a 1% pay-rise is given for all staff from the 1st January 2018, and that all staff receive a minimum pay rise of £250 per annum, with the additional guarantee that all staff, with exception of apprentices, are paid as a minimum the living wage hourly rate.

35/17 Contracts over £30k (Item 15)

The Director of Finance reported that since the last meeting one new contract had been entered into that was over £30k and this was with CAFM Explorer.

It was **RESOLVED** that members noted the report as presented.

36/17 Workplan 2017/18 and Commentary on Changes (Item 16)

A copy of the Workplan for 2017/18 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted the additional reports; Principals Report and College Staff Annual review.

It was **RESOLVED** that members noted the report.

37/17 Any Other Business

UCO Annual Quality Assessment Assurance

The Deputy Principal reported that there must be an Annual Quality Assessment Assurance Statement signed by the Accountable Officer on behalf of the Corporation. A report was circulated that showed the list of evidence reported throughout the year to members at the UCO Advisory Board, C&Q Committee, Resources Committee and the Board.

It was **RESOLVED** that members acknowledged that the evidence had been provided in a timely manner to each of the Committees and recommended signature of the document by the Accountable Officer.

19/17 Dates of future meetings for 2017/18

Tuesday 6 March 2018

Tuesday 5 June 2018 (Meeting to take place 5.00pm – 7.00pm)

Meeting finished at 6.50pm

**The Oldham College Corporation
Rolling Action List – Resources Committee**

Meeting Date(s) & Item No.	Rolling Action List	Actioner	Reported as Completed at meeting of
03 10 17 Min 9/17	<u>Management Accounts for July 2017</u> Draft Financial Statements for the year ending 31 July 2017 to be presented to the Full Corporation at its October 31 st meeting	Director of Finance	Full Corp 31 10 17

03 10 17 Min 9/17	<u>Management Accounts for July 2017</u> Final accounts will be presented to the November Resources Committee and to the Corporation for approval at its December 2017 meeting prior to submission to the ESFA	Director of Finance	28 11 17 Min 27/17
03 10 17 Min 9/17	<u>Management Accounts for July 2017</u> The FE Commissioner benchmarks be updated and reported to the November 2017 meeting	Director of Finance	28 11 17 Min 27/17
03 10 17 Min 14/17	<u>Health and Safety Annual report</u> To be presented to the Full Corporation for approval at its October 2017 meeting	Director of Finance	Full Corp 31 10 17 Min 14/17
03 10 17 Min 15/17	<u>College Staff Annual Pay Review</u> (i) The Director of Finance review the pay award options and report to the November meeting, (ii) Complete a procurement exercise to appoint a HR Consultant to carry out a review of the recruitment, development and management of staff	Director of Finance	28 11 17 Min 34/17 28 11 17 Min 25/17
28 11 17 Min 28/17	<u>Management Accounts October 2017</u> A report be presented to the next meeting on the impact of the marketing campaigns that had taken place since the summer 2017.	Principal	
28 11 17 Min 30/17	<u>Equality and Diversity Staff Data 2016/17</u> Comparable data be sought from neighbouring colleges to determine trends/ concerns and report on this to the Resources Committee in June 2018.	Head of HR	
28 11 17 Min 32/17	<u>Risk Register</u> Include a risk relating to governance	Director of Finance	
28 11 17 Min 33/17	<u>Financial Regulations</u> Present to the Full Corporation at its December meeting for approval.	Director of Finance	
28 11 17 Min 34/17	<u>College Staff Annual pay Review</u> Recommend to the Full Corporation that a 1% pay-rise is given for all staff from the 1 st January 2018, and that all staff receive a minimum pay rise of £250 per annum, with the additional guarantee that all staff, with exception of apprentices, are paid as a minimum the living wage hourly rate	Director of Finance	