

OLDHAM COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 5 June 2018

Present:	Members:	Raiz Ahmad	Governor (Chair)
		Kashif Ashraf	Governor
		Jonathan Edwards	Governor
		Graham Fleming	External Member
		Alun Francis	Governor (Principal)
	Officers:	Janet Frost	Clerk to the Corporation
		Rebecca Johnson	Asst. Director of Finance
		Allan Tyrer	Director of Finance
		Debra Woodruff	Deputy Principal
		Gill Ellis	HR Director
	Apologies:	Laura Smart	Governor
		Sohail Siddique	Student Governor
		Richard Guy	Governor

38/17 **Apologies for Absence**

An apology for absence had been received and accepted from Laura Smart and Richard Guy.

39/17 **Declaration of Conflicts of Interest**

All members and officers present declared that they had no interests, personal, fiduciary, or otherwise in any item on the agenda.

40/17 **Minutes of the Previous Meeting held 6 March 2018.**

The minutes of the previous meeting held 6 March 2018 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.

41/17 **Matters arising from the minutes of the previous meeting**

There were no matters arising.

42/17 **Rolling Action List Update**

1. 6 March 2018 Min 24/17.ii- Equality and Diversity Staff Data 2016/17

Comparable data be sought from neighbouring colleges to determine trends/ concerns and report on this to the Resources Committee in June 2018.

It was reported that this data will be included in the People Strategy.

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

2. 6 March 2018 Min 22/17 - Gender Pay Gap

Amend the report with an additional statement that demonstrates the college's commitment to a clear and transparent pay framework prior to inclusion on the website.

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

3. 6 March 2018 Min 28/17 - Marketing and Recruitment

A breakdown of the levy and non-levy employer data for apprenticeships be provided to the next meeting.

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

The Chair proposed a change to the sequence of reporting with Item 10.4 People Strategy being taken in advance of Item 9.

It was **RESOLVED** that members accepted the change to the sequence of reporting.

43/17

Principal's Update (Item 6)

The Principal presented his report and highlighted key areas as follows:-

- (i) **Areas of pressure within the budget** – The Principal reported that continued effort is placed on; advanced practitioners, communications and strengthening management, especially in lower performing areas, noting that the CPD programme are showing results however further investment is needed to deliver a sustainable model.
- (ii) **New funding developments** – The Principal informed members that the College had been identified as eligible for the pilot funding announced by the DfE to help students achieve a grade 4 or above in GCSE maths. The maths funding will equate to £500 per learner, the criteria for the funding is yet to be released. The Principal explained that with over 1000 maths students this funding provides an excellent opportunity to attract high calibre staff to deliver the subject.
- (iii) **Opportunity Area** – The Principal advised that the local authority were working with the College to deliver the construction project and there is potentially £250k from the Opportunity Fund that may be secured to assist with the project
- (iv) **Recruitment for 2018** – Reported that applications from school leavers are up by 129 compared to the same time last year, and applications to UCO are significantly better, up by 171.
- (v) **Estates Programme -**
 - Skills Capital Bid** – The Bid is through to the second round and the outcome will be known October 2018. If successful build will commence January 2019.
 - UTC Lease** – the UTC will transfer to the College in 2020. The College is currently reviewing the lease to make sure that there are no restrictions should the new school not be available by 2020
 - Chapel Road** – The College is in discussion with Oldham Athletic and City in the Community regarding a partnership submission for funding to develop the site, noting that there will be minimum contribution required from the College
 - Futsal Centre** –Futsal are keen to invest to improve the current facility and are in discussions with the local authority
- (vi) **Risk to income** –
 - T Levels** – The Principal updated members on the recent T Levels announcement advising that OSFC have applied to the Department of Education to be a pilot and have been accepted. He added that there is a potential risk that this may impact negatively on numbers at the college
 - QAA Review** – Members were advised that the outcome of the recent QAA Review has been appealed and a formal appeal document had been submitted. This has been assessed by the QAA and they have concluded that there is sufficient evidence for a full Appeal hearing. This will take place in the next few weeks.
 - Teaching Excellence Framework (TEF) Provisional Assessment** – The Principal reported that the College does not yet have enough historical data to qualify for a full TEF assessment, but a provisional review has been undertaken. In sharp contrast to the QAA they have found that, “**The higher education provider meets rigorous national quality requirements for UK higher education**, and is taking part in the TEF, but does not yet have sufficient data to be fully assessed”.

Letter to Office for Students – The Principal reported that he had written to the OfS to ask for an urgent meeting to seek clear guidance on the use of the term 'university' in further education settings and the consistent application of these. As at the time of reporting no meeting date had been agreed.

- (vii) **Human Resources** – It was reported that the management training with Dudley was continuing and feedback was that it has been received well by managers. A new People Strategy has been produced (see Minute 46/17) and will be considered as part of this meeting

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

44/17

Budget 2018/19 and Draft Financial Summary taken from the Integrated Plan and management Accounts for April 2018 (Item 7.1 and 7.2)

A copy of the management accounts for the period ending 30 April 2018 and the budget for 2018/19 and three year plan had previously been circulated to members for consideration.

The Director of Finance drew members' attention to the following:-

(i) The current year to 31st July 2018

- EBITDA (cash generated) is on target to achieve the planned £2.3m
- Reported that the cash-flow predictions are in line with budget (See Treasury Report minute 45/17). Noted that the maximum use of overdraft in 2017/18 had been £1.5m, which was £800k less compared to 2016/17.
- Reported that income of £150k remains to be achieved for Apprenticeships. The Director of Finance advised that with new starts, ALS and early completions this will be achieved. In addition income for Adult relating to ALS, ESOL and sewing academy starts should mean the target is achieved.
- Non Pay Costs – under control and should not exceed predicted spend
- Salary costs – forecast includes current vacancies. A vacancy factor may result in a lower spend than the forecast.
- FEC benchmarks – salary costs excluding redundancy forecast are at 64.95% of turnover. Therefore, benchmark achieved.
- Progress continues to be made towards all other benchmarks.

A governor asked for assurance that the predicted outturn will be achieved. In response members were advised that the EBITDA was slightly ahead of expectations at £1,657k, and the HE, Apprenticeships and 19+ ASB income will be achieved.

The College continue to monitor cash on a daily basis and are able to identify any fluctuations immediately. C

It was reported that the College's financial health status will remain satisfactory as at 31st July 2018.

(ii) 3 Year Plan

A summary document was presented to members that showed the budgets for each year to 2020/21. The Director of Finance reported:-

- The three year plan was based on a no growth strategy, i.e. whilst growth will be targeted the budget outturns do not rely on it being achieved
- The 16-18 income is based on agreed 2018/19 allocation and the subsequent years budgets are based on achieving the same number of students as 2017/18
- The only growth that has been factored is into HE. The growth is based on the effect of the higher fee and on same number of first year students as 2017/18.
- -5% growth for Apprenticeships income has been factored in, matching our current success.
- Non pay costs assumes procurement savings that have already been identified are achieved.

- Salary costs assumes efficiency savings at UCO and in FE delivery are achieved, and pay rise and increments are assumed to be paid. It was reported that the salary costs remain below 65% of turnover.
- Reported that the overdraft will be used up to April 2019, after this time the overdraft will be eliminated. The budget showed cash in bank exceeding £3m on 31st July 2021.
- It was reported that all FEC benchmarks would be achieved by the end of the plan.

In response to a member's question regarding the impact, if any, of the UTC lease the Director of Finance confirmed that the land sits on the balance sheet, whilst confirmation of the value of the sub lease would be required also. Q

The Chair added that whilst the priority is to improve the financial position this should not hinder the growth of the College. The Principal added that whilst a focus has been to improve quality the strategy is to grow to be able to deliver technical and professional qualifications. During discussion the Committee commented favourably on the position compared with 2016/17 and noted that the three year plan projected a good position for the College. The Chair paid tribute to the work of the Principalship, Corporation and members of the Finance team in maintaining close scrutiny and challenge of financial performance during the course of the year.

It was **RESOLVED** that:-

- (i) Members of the Committee accepted the summary of the management accounts to 30 April 2018 and recommended they be presented to Full Corporation on 3 July 2018,
- (ii) Members accepted the draft budget for 2018-19 and financial section of the Integrated Recovery Plan for 2017/8 - 2020/21, requesting that the final plan be presented to the Full Corporation meeting on the 3 July 2018.

45/17

Treasury Position and Cash Flow (Item 8)

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 Assistant Director of Finance presented the report advising members of the cash position as at 30 April 2018 for each loan and overdraft / cash balance.

The Assistant Finance Director drew members' attention to the following:-

- The College has reforecast its estimated outturn for the year. It was reported that the greatest use of the overdraft facility was in April 2018 when there was £1,350k headroom compared to £544k headroom at the same point in 2016/17, this was in line with the forecast cash position.
- The current budget and forecast balance sheet for the year end indicated an overdraft cash position of approximately £601k noting that this is £46k below the latest Forecast model
- Santander had issued amended covenants on the 21st February 2018 due to the change in the treatment of reserves/net assets under FRS102 that no longer included capital grants as these are now deemed a long term liability. A copy of the Facility letter from Santander UK plc was circulated to members for their consideration and it was reported that the College was not in breach of any of the revised loan covenant. In response to a question raised, the Director of Finance reported that the covenant would change again with the new accounting rules that come into effect on 1 January 2019. Q

It was **RESOLVED** that:-

- (i) members noted the report as presented and endorsed the current position,

- (iii) Members received the Santander Facility letter and recommended that the Corporation confirm its agreement to the terms of the letter as stated and sign and seal the document as requested.

46/17

People Strategy (Item 10.4)

A draft copy of the People Strategy had previously been circulated to members for consideration and comment. Gill Ellis, HR Director introduced the report and drew members attention to the following:-

- Five key people management themes have been identified to form the basis of the strategy; engage, growth, recruit, lead and well-being
- Growth – focus will be to grow e-learning and grow the skills of staff
- Engage – encouraging staff to engage through staff surveys and taking the outcomes to assist in the development of action plans
- Recruit – attract talented and capable staff in all areas of the college
- Lead – motivate the staff to ensure the College has strong leaders and grow future leaders by developing existing staff members
- Well-being – promote initiatives that assist staff to have healthy lifestyles and good work life balance.

A governor commented that Oldham Council had recently rolled out a health and well-being programme that was proving successful. It was agreed that GE would contact the local authority to find out more about the initiative.

In response to a question raised regarding the morale of staff, the HR Director reported that there is a positive attitude amongst most staff and they are welcoming the CPD and the partnership work with Dudley. Those areas of the College where there is a need to do more have been identified and actions for staff are planned.

Q

The Chair thanked the HR Director for her report and asked members to review the report and forward any further comments to the Clerk.

It was **RESOLVED** that:-

- (i) The HR Director contact Oldham Council to review their health and well-being programme,
- (ii) Members review the people Strategy and forward any comments to the Clerk following the meeting,
- (iii) Members noted the draft People Strategy as presented and requested that the final version be reported to the Resources Committee at a future meeting.

47/17

Policies and Procedures

47/17.1 Fees Policy (Item 9.1)

A copy of the Fees Policy had been circulated to members for consideration and comment. The Director of Finance reported that the policy provides a framework within which the College's fee setting and fee refund processes will be devised and operated. Members received the report.

It was **RESOLVED** that the members approved the Fees Policy 2018/19 as presented.

47/17.2 Refund and Compensation Policy (Item 9.2)

A copy of the Refund and Compensation Policy had been circulated to members for consideration and comment.

The Director of Finance explained that the funding and regulation of higher education in England changed in April 2018 when the Office for Students (OfS) became operational. He advised that the OfS would combine the existing regulatory functions of the Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA). The remit of OfS is to create and oversee a regulatory environment in higher education, which puts the interests of students at the heart of the system, focusing on choice and competition.

In addition, the OfS requires a Student Protection Plan (see minute 47/17.3) incorporating an assessment of the range of risks to the continuation of study for the college's students. The plan will provide risk mitigation measures and information about the policy in place to refund tuition fees and other relevant costs to the college's students and provide compensation where necessary in the event that the college is no longer able to preserve continuation of study.

Members received the report.

It was **RESOLVED** that the members approved the Refund and Compensation Policy as presented

47/17.3 UCO HE Student Protection Plan (Item 9.3)

A copy of the UCO HE Student Protection Plan had been circulated to members for consideration and comment.

The Director of Finance informed members that the Higher Education and Research Act 2017 requires institutions delivering Higher Education courses to maintain a Student Protection Plan to protect students' interests in the case of material change, e.g. programme changes, suspensions, closures, or institutional closure.

Members noted the content of the document and approved its content.

It was **RESOLVED** that the members approved the UCO HE Student protection Plan as presented.

47/17.4 HE Course Closure Policy (Item 9.4)

A copy of the HE Course Closure Policy Plan had been circulated to members for the consideration and comment. The Director of Finance reported that the document sets out the College procedure, in accordance with UCO HE Policy for Course Closure, Change or Suspension, of HE courses. He highlighted the college's responsibilities and the procedures to take if a course has to close.

Members considered the document and approved its content.

It was **RESOLVED** that the members approved the HE Course Closure Policy as presented.

48/17

Strategy Reports

48/17.1 ILT Strategy (Item 10.1)

The Director of Finance presented an outline of the ILT Strategy advising members that the strategy included e-learning and the use of technology in teaching, IT infrastructure and MIS. Members discussed the strategy and it was suggested that UK Fast may be able to assist. The Principal responded that UK Fast's expertise lie with data management and connectivity and they are an excellent partner and one that the College benefits from.

Members noted the presentation.

48/17.2 Estates Masterplan (Item 10.2)

The Director of Finance updated members on the Estates Strategy reporting that the plan has four phases of work.

It was reported that **Phase 1** includes adaptations to buildings to create improved teaching and learning space. The timeline for the works to take place is May 2018 to August 2018. Members noted that phase 1 includes Salon 7 moving to C Building, improvements to take place in JT Hilton to accommodate improved space for LRC, tutorial and a training area and an updated student quarter. The library will move to A Building Level 1, the Science provision will continue to be delivered in the UTC building and adaptations are to take place to B Building to improve the visitor space and provide separate classrooms. Maths and English will be timetabled in each building and there will be improvements made to the High Needs space.

Phase 2 (June 2019 – June 2020) includes the proposed new build to accommodate Construction and adaptations to the ground floor of the Bellis Workshop

Phase 3 (June 2020 – August 2020) will include the demolition on the Bronte and Bevan buildings and landscaping works that could include a MUGA.

A member asked how confident are we in securing the capital bid to fund Phase 2. In answer, **Q** the Director of Finance reported that the biggest challenge is securing the matched funding of which the local authority are working with the College to support us.

In response to a question raised regarding the business case to move Salon 7 into C Building, it was reported that there would be a saving of £30/£40k per year.

48/17.3 Student Operations Strategy (Item 10.3)

Deferred to the next meeting.

49/17

Procurement Strategy (Item 11)

A copy of the Procurement Strategy had previously been circulated to members for consideration and comment. It was reported that the document is reviewed annually and was presented to members with no changes.

A member asked what services will be procured in the next term and it was reported that the catering service is in the process of being retendered and the external audit service will go out to tender next year. **Q**

It was **RESOLVED** that members approved the Procurement Strategy.

50/17

Risk Management Register (Item 12)

A copy of the Risk Management Register had previously been circulated to members for consideration and comment. The Director of Finance drew members attention to the following:-

- The trend for each risk was identified and showed none of the risks had worsened since the previous meeting with the net risk score 'green'
- There was no change to the trend for the four key risks linked directly to the Financial Recovery Plan
- The risk 'insufficient progress on improvements required to achieve OfSTED good' reflected the improvements on quality
- The risk 'failure to improve the quality of teaching and learning consistently across the college' reflected the improvements achieved with the Teaching for Distinction CPD, Quality Improvement partner reviews and Quality Cycle and Balanced Score Card

It was reported that each service area of the College were currently drafting their risk registers and these would be reported in full at the Strategic Audit meeting in September 2018.

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

51/17

Scheme of Delegation - Annual Review (Item 13)

A copy of the Scheme of Delegation had previously been circulated to members for consideration and comment. The Director of Finance advised that on annual basis the document is reviewed. The document was presented with no changes.

It was **RESOLVED** that members recommended approval to the Full Corporation at its next meeting in July.

52/17

Contracts over £30k (Item 14)

None reported.

A member asked that a report be presented at the next meeting on the cost of Marketing Services over the past 3 years.

It was **RESOLVED** that a report be presented at the next meeting on the cost of Marketing Services over the past 3 years.

53/17

Workplan 2017/18 and Commentary on Changes (Item 15)

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 that had been discussed at the current meeting which included; Fees Policy, Refund and Compensation Policy, UCO Student Protection Plan, HE Course Closure and Procedure

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

54/17

Any Other Business

None reported

55/17

Dates of future meetings for 2017/18

To be agreed at the Full Corporation on 3 July 2018.

Meeting finished at 6.40pm

Rolling Action List – Resources Committee 5 June 2018

Meeting Date(s) & Item No.	Rolling Action List	Actioner	Reported as Completed at meeting of
28 11 17 Min 30/17 06 03 18 Min 25/17 (ii)	<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	05 06 18 Min 42/17.1
06 03 18 Min 22/17	<u>Gender Pay Gap</u> Amend the report with an additional statement that demonstrates the college's commitment to a clear and transparent pay framework prior to inclusion on the website.	Head of HR	05 06 18 Min 42/17.2
06 03 18 Min 28/17	<u>Marketing and Recruitment</u> A breakdown of the levy and non-levy employer data for apprenticeships be provided to the next meeting.	Deputy Principal	05 06 18 Min 42/17.3
05 06 18 Min 44/17.1	<u>Management Accounts up to 30 April 2018</u> Present the management accounts to 30 April 2018 to Full Corporation on 3 July 2018	Director of Finance	
05 06 18 Min 44/17.2	<u>3 Year Plan</u> Present the draft budget for 2018-19 and financial section of the Integrated Recovery Plan for 2017/8 - 2020/21 to the Full Corporation meeting on the 3 July 2018.	Director of Finance	
05 06 18 Min 46/17	<u>People Strategy</u> The HR Director contact Oldham Council to review their health and well-being programme, Members review the People Strategy and forward any comments to the Clerk following the meeting Final version of the report to be presented to a future meeting of the Resources Committee	HR Director Members HR Director	
05 06 18 Min 51/17	<u>Scheme of Delegation</u> The Scheme of Delegation be presented to the Full Corporation at its 3 July 2018 meeting.	Director of Finance	