

**OLDHAM COLLEGE**

**RESOURCES COMMITTEE**

**Minutes of the meeting held on Tuesday 22 October 2019**

<b>Present:</b>	<b>Members:</b>	Sue Kershaw	Governor (Chair)
		Riaz Ahmad	Governor
		Graham Bradbury	Governor
		Alun Francis	Governor (Principal)
		Jonathan Edwards	Governor
		Mark Preston	Student Governor
	<b>Officers:</b>	Janet Frost	Clerk to the Corporation
		Rebecca Johnson	Asst. Director of Finance
		Allan Tyrer	Finance Director
	<b>Apologies:</b>	Richard Guy	Governor
		Debra Woodruff	Deputy Principal

**1/19**

**Election of Chair**

The Clerk reported that as this was the first Resources Committee meeting of the new academic year, members were required to elect a Chair and Vice Chair of the committee for 2019/2020.

The Clerk invited nominations for Chair for 2019/2020 and Sue Kershaw was nominated by Riaz Ahmad and this was seconded by Jonathan Edwards.

**Election of Vice Chair:**

The Chair asked for nominations for Vice Chair and Jonathan Edwards nominated Riaz Ahmad and this was seconded by Graham Bradbury.

It was **RESOLVED** that:-

- (a) Sue Kershaw be appointed as Chair for the academic year 2019/20 and,
- (b) Riaz Ahmad be appointed Vice Chair for the academic year 2019/20.

**Sue Kershaw took the Chair**

**2/19**

**Apologies for Absence**

Apologies for absence had been received and accepted from Richard Guy and Debra Woodruff.

**3/19**

**Remit of the Committee – Discussion**

The Chair reported that a copy of the Terms of Reference for the Committee had been circulated to members for information prior to the meeting.

She advised the first item on the agenda would give members of the committee an opportunity to take stock and reflect on what was needed for both individuals and collectively to ensure the committee was running effectively. A discussion took place and the following points were raised:-

- There are currently two vacancies on the committee and it was agreed that it was important to appoint new governors with the skills that will enhance the current membership
- It was agreed that governors would benefit from training on the different funding streams to enable them to understand the complexities of the finances
- Comparator analysis of similar colleges would be useful. This could include summary of income, number of apprenticeships, 16-18, adults, HE, level of debt etc.
- Invite other key officers to report e.g. HR, estates, marketing
- It was agreed that increased knowledge on the part of governors would enable more challenge to take place.

Members considered the terms of reference and the following changes were agreed:-

- Add ... To consider and make representations to the Corporation on the annual estimates of income and expenditure, *the two-year projections and financial plan* and other budgets.
- *To assess the key financial risks of the organisation*
- *To consider and advise the Corporation on the College's Technology / IT strategies*
- *To consider and advise the Corporation on health and safety matters*
- *To consider and advise the Corporation on the College's marketing strategies*

It was **RESOLVED** that:-

- (i) Training be provided to members at the start of committee meetings on a subject relevant to the committee business,
- (ii) An invitation to officers to present their reports will be made for future meetings,
- (iii) New members for the committee with the appropriate skills will continue to be sought, and
- (iv) The Terms of Reference will be updated to reflect the comments made by members.

**3/19**      **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.

**4/19**      **Minutes of the Previous Meeting held 4 June 2019.**

The minutes of the previous meeting held 4 June 2019 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.

**5/19**      **Matters arising from the minutes of the previous meeting**

There were no matters arising.

**6/19**      **Matters Arising from the Previous Minutes**

None reported

**7/19**      **Rolling Action List Update**

**(i) 4 June 2019 Min 66/18 - Principal's Update**

A paper be presented to the Corporation meeting on 2 July that details the Capital Skills Centre budget implications and clarity on the matched funding.  
It was **RESOLVED** that this item was complete.

**(ii) 4 June 2019 Min 67/18 - Draft Budget 2019/20**

The final budget for 2019/20 be presented to the Full Corporation at the July meeting for approval

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

The Chair proposed a change to the sequence of reporting with Item 16 – Equality and Diversity Annual Report including E&D Policy being taken in advance of Item 8.

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

**8/19**

**Equality and Diversity Annual Report 2018/19 (Item 16)**

The HR Director had previously circulated the Equality and Diversity Staff Data report for 2018/19. She advised that the report showed the College's commitment to promoting equality and reducing education inequalities, and set out how the College had fulfilled its responsibilities arising from the Equality Act 2010, for students and as an employer.

The HR Director added that the report also set out how the College had demonstrated the stated equality and diversity aims and objectives and highlighted new challenges, identified future areas for development and demonstrated its approach to inclusion.

The HR Director drew member's attention to key points within the report:-

Staff:

- Oldham College's staff equality profile is in line with the sector.
- Oldham College's staff population is predominantly White British 75%.
- The percentage of staff who have declared a disability remains at three (noted that further exploration of this statistic was being carried out).
- As for last year, the majority of Oldham College's staff are in the 30-59 age groups, the largest group is the 50-59 age bracket (27%) which is an increase of 2% on last year. This is in line with the sector. Noted that the College is starting to consider its succession plan.

A member asked what actions had the college put in place as part of the staffing succession plan. In reply the HR Director advised there would be a range of activities including; reviewing the data, considering age profiles in each faculty, consider the potential risk of staff leaving, review existing staff and qualities and look at different ways to attract staff

- Oldham College's staff equality profile is in line with the sector.

**Students:**

- Participation of BAME residents has gradually increased from 43% to 47% over the last 3 years, reflecting the changes in the local school age population.
- Reported that a review of participation in 2018/19 and achievement rates from one of the most disadvantaged wards in the country, Coldhurst, identified that 10% of learners were residents of Coldhurst. It also identified that retention and achievement of learners from Coldhurst were on average 3% above the college average.

- Reported that the majority of full time learners enter with low prior achievement. However, despite this 35% of learners were studying at L3 or above, and college achievement rates were at or above the national rate.
- The College invested for a second year in a summer transition week for AROE learners. In 2018/19 the retention, achievement and behaviour of learners who attended the week were at least as good as the overall college.
- Noted that the retention of white learners continued to be slightly lower than the average
- Reported that BAME Apprenticeship achievement had declined, whilst white male achievement had improved. Analysis to identify the cause and agree an improvement plan was underway.
- The gap in the achievement of 1sts between BAME and White students required improvement.

Members reflected on the report and were particularly pleased to see the statistic relating to Coldhurst.

The Chair requested the HR Action Plan be presented to a future meeting.

The Chair thanked the HR Director for her presentation.

It was **RESOLVED** that:-

- (i) members received the report as presented
- (ii) the HR Action Plan be presented to a future meeting.

#### **5.20pm Josie Elson retired from the meeting**

**9/19**

#### **Principal's Update (Item 8)**

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

- Reported that recruitment has been positive to date and a report will be presented at the November meeting on the 6 week figures
- The T Level Van is out and about promoting the College and T levels
- There has been an array of success and the Principal reported each of the successes stories
- The TEF subject level pilot was awarded one gold, one bronze with the remainder silver
- First two paralegal apprentices on standards passed their qualification which is excellent news
- The Principal updated members on the government's announcement of the package of funding measures for further education
- The College is meeting schools, with a view to refocussing partnerships on new post-16 options and potential areas of shared interest

The Principal reported that whilst there is a possibility of more funding for colleges this won't be known until November.

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

**10/19**

#### **Management Accounts to the Year Ended 31<sup>st</sup> July 2019 (Item 9)**

A report detailing the draft management accounts for 2018/19 had been prepared by the Finance Director and previously circulated to members for consideration. He advised that the EBITDA for the year was £2,306k (budget £2,551k) which was below expectation due to the shortfall in apprenticeships income and the much lower than anticipated income from the maths pilot.

It was reported that the College's financial health status (based on the ESFA benchmarks) would remain at 'satisfactory'.

The Finance Director reported that income for 16-18 year-old students, 19+ learners on continuing programmes and high needs learners was based on a lagged funding model and therefore the income was secure as an allocation from the ESFA.

Other notable points related to the apprenticeships income which had been delayed in 2018/19 but would boost the rolled in income in 2019/20 and HE income had been achieved.

A member asked for further information relating to the agency budget overspend in 18/19. The Principal reported that investment had been required to improve the Health and Social Care Faculty and this had resulted in the need to use agency staff whilst permanent staffing could be put in place which he was pleased to report had now been achieved.

A member asked if lessons had been learned from this process and considered as part of the budgeting process for 2019/20 to which the Finance Director reported that the Business Review cycle now manages the vacancy process and the impact of the use of agency staff in a far more cautious and considered manner.

It was **RESOLVED** that:-

- (i) Member's noted the College's financial health status had remained at 'satisfactory' as at 31<sup>st</sup> July 2019, and
- (ii) Members received the management accounts as at 31 July 2019 and presented them for approval to the Full Corporation at its October 2019 meeting.

**11/19**

**ESFA Two Year Financial Plan Ending 31<sup>st</sup> July 2021 (Item 10)**

A copy of the two year financial plan for year ending July 2021 had previously been circulated to members for information. The Finance Director reported that the plan allowed for a period of consolidation in terms of its development, the aim of which would be to:-

- Remove dependence on the overdraft (continuing the process of replenishing reserves)
- Meet FE Commissioner benchmarks
- Maintain high quality provision
- Embed new practices around strategic and financial planning
- Establish a high performing and efficient organisation
- Manage the impact of the construction skills centre build without detriment to College's finances.

The Finance Director reported that the plan continued to base its continued financial sustainability on limited growth, 5% in apprenticeships income, and 5% growth in HE numbers from 2019/20 onwards.

In discussion a member asked if the projected numbers would bring increased income and in addition whether he was clear which colleges were Oldham's competitors. In response, the Finance Director reported that the HE numbers were on target and would therefore improve income and the increase in FE numbers would increase income in 2020/21. It was agreed that a report be presented at the next meeting on the college's competitors and their share of the market.

The Finance Director continued and advised members that progress had been made against meeting the FE commissioner's benchmarks for a financially sustainable college. He reported that the plan showed all benchmarks would be achieved by 31<sup>st</sup> July 2021. He added that the college was investigating options and changes to budgets that would bring all the benchmarks into line with desired expectations by 31<sup>st</sup> July 2020.

Member's noted the report.

It was **RESOLVED** that:-

- (i) Members received the report and adopted the two-year plan as reported, and
- (ii) Recommended approval to the Full Corporation.

**12/19**

#### **UCO Financial Plan 2019/20 (Item 11)**

A report had previously been circulated that provided members with the 2018/19 financial outturn for UCO compared to the previous three years.

The Finance Director reported the income figure fell slightly below finance budget target, but appropriate savings made within the cost base had delivered a contribution of £397K (budget £300k) an increase of £232K on 2017/18.

The Finance Director continued and advised the budget figures for 2019/20 were based on the assumptions built into the recovery plan (limited growth in income). He reported that the curriculum planning and applications to date suggested that growth in numbers was likely and it was proposed to implement dynamic budgeting within year to allow the cost base to vary should additional income be achieved.

A member asked if consideration had been given to ways to reduce the high maintenance costs at UCO and was advised that the service charge on the rented building was high and therefore an accommodation review was planned to determine if alternative arrangements would be appropriate for UCO.

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

**13/19**

#### **Treasury Position and Cash Flow (Item 12)**

A report detailing the cash and treasury position of the College had been prepared by the Assistant 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 31 July 2019 for each loan and overdraft / cash balance.

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

- It was reported that the greatest use of the overdraft facility will be in April 2020 when there will be £1,950k headroom (2018/19 £1,061k)
- The current budget and forecast balance sheet for the year-end indicate a cash position of £1,317. This is in line with the ESFA forecast model

In response to a question raised, the Finance Director reported that the FEC suggest that the ideal level of cash is 25 days, however the level of cash fluctuates throughout the year due to the varying income streams.

A discussion took place relating to the current interest rate and it was agreed that the college contact Santander to request a reduction of the interest rate based on the current position of the college.

It was **RESOLVED** that:-

- (i) members noted the report as presented and endorsed the current position,
- (ii) The Finance Director to arrange a meeting with Santander to discuss future interest rates.

**14/19**

### **Estates Update (Item 13)**

A report had previously been circulated to members that provided an update on the new construction centre. The Finance Director summarised the key points of the report, including:-

- The College was able to maintain momentum on design during the summer recess and the 3 planned design workshops held enabled sign off of a RIBA stage 3 design (elevations and floorplans) in mid-August
- Surveys were undertaken in August and September. Intrusive asbestos surveys of the Bevan and the Bronte will be undertaken during the October 2019 half term
- Intensive work is ongoing to fulfil the conditions within the conditional grant offer from the Combined Authority
- It is anticipated that the legal requirements will take the longest to fulfil but that sufficient conditions will be fulfilled by the beginning of October 2019 for the grant approval to be executed
- Planning Consultation was undertaken by the College during August and September 2019. The aim of the consultation is to raise awareness of the new building and gather feedback on the initial designs and functions envisaged for the building

- The College and Wilmott Dixon have initiated work to understand the travel and transport impacts of the new Construction centre. This has included travel surveys for staff and students which took place during September
- The project risk register has been kept up to date and linked to the overall College risk register. Several of the risks in the June 2019 version have been closed out. The key risks currently are:

- Delays in determination of the planning application by Oldham Council.

It was reported that the delay in receiving planning permission continued to be a risk and it was agreed that should it be necessary increased lobbying should be put in place. The Principal reported that he had brought his concerns to the senior management team at the Council

- Oasis do not move out of UTC by July 2020
- Live campus during construction and demolitions

The Chair thanked the Finance Director for his report and the progress achieved to date.

#### **15/19 Risk Management Register (Item 14)**

A copy of the Risk Management Register had previously been circulated to members for consideration. The Finance Director reported that the key operational risks had been updated and the mitigated risk scores adjusted to reflect the current position. It was **RESOLVED** that members noted the Risk Management Register as presented.

#### **16/19 Health and Safety Annual Report 2018/19 inc. Health and Safety Policy**

The Annual Health and Safety Report for 2018/19 had been prepared by the Finance Director and previously circulated to members for consideration and information.

The Finance Director presented the report advising that the document outlined the progress on the College health and safety management programme in 2018/19 and he summarised the key points within the report.

- An annual review of the health and safety policy had been conducted and copy was provided to members for review
- Workplace safety tours were undertaken to determine the levels of compliance and the effectiveness of precautions implemented to control aspects of fire safety, workplace housekeeping standards, the use of personal protective equipment, the use of work equipment, precautions provided against the risks from contact with electricity, compliance with COSHH standards, and first aid provision
- There had been 168 reported accidents/incidents and of these 68 were non accidents (ill health or illness e.g. headaches, nausea or vomiting etc. and not attributable to College accidents). Therefore the remaining 100 were accidents recorded within campus

- There has been 1 investigated RIDDOR incident within College during the report period.
- There were 5 fire incidents recorded however only 1 was a fire flame event.
- There have been no environmental incidents during the reporting period.

Members considered the report, acknowledged that progress was being achieved in managing the risks within the College and UCO, and recommended approval to the next Full Corporation meeting in October 2019.

It was **RESOLVED** that the Committee received the H&S Annual report and Policy and recommended approval to the next Full Corporation meeting in October 2019

#### **17/19 Contracts over £30k (Item 17)**

The Finance Director had previously circulated a report that detailed contracts awarded over £30k since the last meeting. In summary contracts had been entered into with O2 and Scottish Hydro. Broker, FE Protect, were used to obtain competitive rate for the college insurance. The Chair asked that a copy of the insurance document be provided to committee members for review.

It was agreed the Finance Director carry out a review to ensure that lower priced contracts were not being signed off for the same contractor that cumulatively could add up to a large sum and therefore not comply with financial regulations.

It was **RESOLVED** that:-

- members noted the report as presented
- a copy of the insurance document be circulated to members
- the Finance Director carry out a review to ensure that lower priced contracts are not being signed off for the same contractor.

#### **18/19 Review of Terms of Reference and Workplan**

A copy of the Workplan for 2019/20 and Committee Terms of Reference had previously been circulated to members for consideration and comment. The Terms of Reference had been considered at the start of the meeting and comments noted (see minute 3/19).

Members noted the workplan and agreed that this be used as a tool to monitor the reporting sequence of activity at each meeting.

#### **19/19 Any Other Business**

None reported

#### **20/19 Dates of future meetings for 2019/2020**

26 November 2019

10 March 2020

2 June 2020

Meeting finished at 6.55pm

Rolling Action List – Resources Committee 15 October 2019

Meeting Date(s) & Item No.	Rolling Action List	Actioner	Reported as Completed at meeting of
4 June 2019 Min 66/18	<b><u>Principal's Update</u></b> A paper be presented to the Corporation meeting on 2 July that details the Capital Skills Centre budget implications and clarity on the matched funding.	Finance Director	15/10/19 Min 7/19 (i)
4 June 2019 Min 67/18	<b><u>Draft Budget 2019/20</u></b> The final budget for 2019/20 be presented to the Full Corporation at the July meeting for approval	Finance Director	15/10/19 Min 7/19 (ii)
15 October 2019 Min 3/19	<b><u>Remit of the Committee</u></b> (i) Training be provided to members at the start of committee meetings on a subject relevant to the committee business, (ii) An invitation to officers to present their reports will be made for future meetings, (iii) New members for the committee with the appropriate skills will continue to be sought, and (iv) The Terms of Reference will be updated to reflect the comments made by members.	Clerk/Finance Director	
15 October 2019 Min 8/19	<b><u>Equality and Diversity Annual Report 2018/19</u></b> the HR Action Plan be presented to a future meeting.	HR Director	
15 October 2019 Min 13/19	<b><u>Treasury Report and Cash Flow</u></b> The Finance Director to arrange a meeting with Santander to discuss future interest rates	Finance Director	
15 October 2019 Min 17/19	<b><u>Contracts Over £30k</u></b> (i) a copy of the insurance document be circulated to members  (iii) the Finance Director carry out a review to ensure that lower priced contracts are not being signed off for the same contractor	Finance Director	

