

OLDHAM COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 4 June 2019

Present:	Members:	Riaz Ahmad	Governor (Chair)
		Graham Bradbury	Staff Governor
		Alun Francis	Governor (Principal)
		Jonathan Edwards	Governor
		Richard Guy	Governor
		Sue Kershaw	Governor
		Katrina Hann	Independent Member
	Officers:	Janet Frost	Clerk to the Corporation
		Rebecca Johnson	Asst. Director of Finance
		Allan Tyrer	Finance Director
		Debra Woodruff	Deputy Principal
	Apologies:	Laura Smart	Apologies

61/18 **Apologies for Absence**

There were no apologies for the current meeting.

62/18 **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.

63/18 **Minutes of the Previous Meeting held 5 March 2019.**

The minutes of the previous meeting held 5 March 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.

64/18 **Matters arising from the minutes of the previous meeting**

There were no matters arising.

65/18 **Rolling Action List Update**

None to report

66/18 **Principal's Update (Item 7)**

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

- Reported that the College was working hard to deliver the financial plan for 2018-19, despite a number of setbacks around income including the maths money which was lower than expected

- Advised that the College was still projecting an EBITDA in excess of 10% which is very strong and the Financial health rating continues to be on course to improve this year compared to last year.
- Reported that the work on the “Best Place to Work” strategy was slower than expected, due to the need to wait for the new head of Human Resources to arrive in July/August. The Principal added that the College was progressing changes to the sickness and absence policy with the trade unions, with a view to completing this by the end of July.
- The Principal was pleased to report that the new Head of Estates begins work on Monday 3rd June. This will be critical to reforming the role and function of the Estates Team.
- Funding / income – the College is bidding for a considerable investment into technical education through the Opportunity Area Fund, subject to a tender process and the result should be known by mid June.
- Reported that the College was bidding for a range of charitable and educational funds to support community and community cohesion activity.
- Reported that the Opportunity Bus Pass has been reviewed and the contribution from the College is lower than first reported. A report will be presented to the Corporation on 2nd July for consideration approval.
- Reported that Chapel Road is due to go back out to tender and Manchester City Community Programme are keen to share a bid

The Principal provided an update on the Capital Skills Bid and a detailed discussion took place. In brief:-

GMCA have confirmed a successful bid of £7m with matched funding of £2m. There are now a set of conditions and processes which need to be addressed to move the project forward. The Principal informed members that the timeframe for completion of the build to be compliant with the funding criteria was tight and therefore there was some urgency in progressing the appointment of key positions.

The Principal informed members that key posts (architect, monitoring surveyor and project manager), needed to be appointed early in the process. Following discussion it was agreed that the critical posts be appointed up to July as an interim position with the intention that once the approval to proceed is provided by the Corporation in July the appointments can be finalised.

The Principal continued and informed members of the proposed procurement method and suggested framework model.

The Finance Director informed members that the cashflow process was different than previous grant schemes and further consideration was being given to this. He advised that a further report to members that provided clarity of the approach, cashflow and risk be presented at the Full Corporation meeting on 2nd July.

A number of questions were asked relating to the project and the timeframe for delivery and it was agreed that members and Principalship must be clear from the outset on the parameters that the college have to work to so it can ensure delivery of the Skills Centre.

The Principal advised in order to ensure governance arrangements were rigorous a Capital Task Group be implemented that provides oversight of the project. The Task Group would meet monthly and ensure key decisions were taken in a timely manner to expedite the work requirements. Members reviewed proposed terms of reference for the group and supported the proposal. It was agreed that the Chair of the Corporation and Sue Kershaw be appointed to the Task Group. This was supported by the committee.

JE requested that a paper be presented to the Corporation meeting on 2 July that details the budget implications and clarity on the matched funding.

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

(i) 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.

67/18

Draft Budget 2019/20 (Item 7.1)

A copy of the draft budget for 2019/20 had previously been circulated to members for consideration. The Finance Director reported that the detail had been taken from the integrated plan that would be presented in full to the Corporation meeting on 2nd July 2019. It was reported that the draft budget incorporated the reduced 16/18 funding previously identified and this had been based on the same prudent growth predictions as previous years. The Finance Director added the budget relied on significant efficiency savings across both curriculum and service areas and these efficiencies had been considered at business reviews and were being incorporated in departmental plans.

It was reported that an EBITDA in excess of £2.5K (10%) was planned, enabling the College to meet its loan commitments, reduce its overdraft requirements and provide the capital expenditure budget to meet the Capital Skills bid match contribution and make improvements to the College facilities generally.

A member asked if the pay award for 2019/20 was built into the budget and the Finance Director advised that this had not yet been built into the figures presented.

It was **RESOLVED** that members received the report as presented and requested that the final budget be presented to the Full Corporation at the July meeting for approval.

68/18

Management Accounts for April 2019 (Item 7.2)

A copy of the management accounts up to April 2019 had been circulated to members prior to the meeting. The Finance Director drew members attention to the following key points:-

- The EBITDA (earnings before interest, tax and depreciation) for the nine months is £1,505k (budget £1,785k), slightly below expectations due to timing differences in income and expenditure.
- 16-18, EFA adult income and High Needs Element 2 income are each on lagged funding and therefore the income is secure
- 19+ AEB - Noted that the College has recruited both full time and part adult learners in sufficient numbers at this stage and believes that this contract and target will be met in full.
- The Finance Director reported that there has been delays in starts for Apprenticeship and this may impact negatively on the budget. He advised that the budget target of £2.384 may not be achieved and that he currently projected income of £2.28. A member asked if this would affect the covenants and the Finance Director replied that the EBITDA predicted would still be achieved
- A member observed that consideration must be given to the pay award for 2019/20

The Finance Director drew members attention to the cashflow report advising that the greatest use of the overdraft facility was in April 2019.

It was **RESOLVED** that members received the management accounts as at April 2019 and noted the position.

- 69/18** **Treasury Position and Cash Flow (Item 7.3)**
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 24 May 2019 for each loan and overdraft / cash balance. A discussion took place and the following points were highlighted:
- The college continues to monitor the cash balance daily
 - The greatest use of the overdraft facility was in April 2019 when there was £1,061k headroom (2017/18, £1,350k) headroom (i.e. within the £3m facility).
 - Reported that the College was in a net overdraft position for cash.
 - 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.
- 70/18** **Fees Policy (Item 8.1)**
A copy of the Fees Policy had previously been circulated to members for consideration. It was reported that there were only minor changes to note.
- It was **RESOLVED** that members approved the Fees Policy as presented.
- 71/18** **Refund and Compensation Policy (Item 8.2)**
A copy of the Refund and Compensation Policy had previously been circulated to members for consideration. It was reported that there were only minor changes to note.
- It was **RESOLVED** that members approved the Refund and Compensation Policy as presented.
- 72/18** **UCO Student Protection Plan (Item 8.3)**
A copy of the UCO Student Protection Plan had previously been circulated to members for consideration. It was reported that there were only minor changes to note.
- It was **RESOLVED** that members approved the UCO Student Protection Plan as presented.
- 73/18** **HE Course Closure Procedure (Item 8.4)**
A copy of the UCO Course Closure Procedure had previously been circulated to members for consideration. It was reported that there were only minor changes to note.
- It was **RESOLVED** that members approved the UCO Course Closure Procedure as presented.
- 74/18** **Procurement Strategy 2019/20 – Annual Review (Item 9)**
A copy of the Procurement Strategy for 2019/20 had previously been circulated to members for consideration. Members considered the document and the approach as set out in the report and agreed that its content.
- It was **RESOLVED** that members approved the Procurement Strategy 2019/20.
- 75/18** **Risk Management Register (Item 13)**
A copy of the Risk register had previously been circulated to members for consideration. The Finance Director reported that the key operational risks had been updated since the previous meeting and the mitigated risk scores adjusted to reflect the current position. Following discussion it was agreed that a further risk associated with the construction build be added, in addition to the capital risk.

It was **RESOLVED** that members noted the Risk Management Register as presented.

76/18 **Scheme of Delegation – Annual Review (Item 11)**

A copy of the Scheme of Delegation had previously been circulated to members for consideration. The following changes were reported:-

- Where the report referred to SFA this has been changed to ESFA
- The Oldham College Board, committee and working group structure has been updated to reflect the current practices.

It was **RESOLVED** that members approved the amendments to the Scheme of Delegation.

77/18 **Contracts over £30k (Item 12)**

The Finance Director had previously circulated a report that detailed contracts awarded over £30k since the last meeting. In summary two contracts had been entered into; Media Agency Group and MHR International UK. Members noted the contract sums for each.

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

78/18 **Workplan 2018/19 and Commentary on Changes (Item 13)**

A copy of the Workplan for 2018/19/18 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted the changes to the workplan.

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

79/18 **Any Other Business**

None reported

80/18 **Dates of future meetings for 2018/19**

4 June 2019

Meeting finished at 6.35pm

Rolling Action List – Resources Committee 4 June 2019

Meeting Date(s) & Item No.	Rolling Action List	Actioner	Reported as Completed at meeting of
4 June 2019 Min 66/18	<p><u>Principal's Update</u> 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.</p>	Finance Director	
4 June 2019 Min 67/18	<p><u>Draft Budget 2019/20</u> The final budget for 2019/20 be presented to the Full Corporation at the July meeting for approval</p>	Finance Director	