

OLDHAM COLLEGE

RESOURCES COMMITTEE

Minutes of the meeting held on Tuesday 1 December 2020

<b>Present:</b>	<b>Members:</b>	Sue Kershaw	Governor (Chair)
		Shauna Dixon	Governor
		Jonathan Edwards	Governor
		Alun Francis	Governor (Principal)
		Andrew Swain	External Member
	<b>Officers:</b>	Janet Frost	Clerk to the Corporation
		Rebecca Johnson	Asst. Director of Finance
		Allan Tyrer	Finance Director
		Debra Woodruff	Deputy Principal
		Cath Inchbold	Project Manager
	<b>Apologies:</b>	Graham Bradbury	Staff Governor

25/20

**Apologies for Absence**

Apologies had been received and accepted from Graham Bradbury.

26/20

**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.

27/20

**Minutes of the Previous Meeting held 13 October 2020.**

The minutes of the previous meeting held 13 October 20 had been circulated to members prior to the meeting for their consideration.

The following points of accuracy were requested and agreed:-

- (i) Page 6 Minute 13/20 Item 8 Management Accounts to 31<sup>st</sup> July 2020 – Non pay costs – should read *'the shutdown produced net savings totaling £133k in non pay costs'* and not £1133
  - (ii) Page 9 Minute 20/20 – second bullet point – typo should read *health* and not *ealth*
- It was **RESOLVED** that the remaining minutes reflected a true record of the meeting.

28/20

**Matters arising from the minutes of the previous meeting**

There were no matters arising.

29/20

**Rolling Action List Update**

**1. 13 October 2020 Min 6/20 (i) – Funding Presentation**

A presentation be delivered at the December 2020 Resources Committee to explain further the complexities of apprenticeship funding.

It was **RESOLVED** that following the current meeting this action was complete.

**2. 13 October 2020 Min 6/20 (ii) – Probationary Policy**

Draft policy to be presented to the October 2020 Resources Committee. Deferred to a future meeting.

It was **RESOLVED** this action was not complete.

The Chair proposed a change to the sequence of reporting with the following item brought forward on the agenda: Item 13 Capital Project Update.

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

### 30/20 Capital Project Update (Item 13)

A report had previously been circulated that provided members with an update on the progress with the College's Construction Skills Centre and detailed the current key issues, risks and actions required to ensure progress.

Cath Inchbold, Project Manager, introduced the report. The key points reported included:-

- Reported the building will be complete by the end of February and work is progressing on the commissioning of training. It was reported the project is four weeks ahead of programme
- GMCA visited site on 26 November and were extremely pleased with progress
- The College has reviewed its programme and match funding allocations and GMCA have confirmed their acceptance which continue to achieve the outcomes contained within the Grant Funding Agreement
- The Reviewable Design Data (RDD) process is well progressed, whilst the College's work on furniture and equipment layouts needs to be further progressed to ensure they are co-ordinated with the design.
- The outside of the building is nearing completion and works within the building are well advanced. A member asked if there was potential for bad weather to impact on progress and was advised the building is water tight therefore no risk to the work being delayed Q
- Noted the works that would be completed throughout December including the continuation of internal mechanical and engineering on both floors, continuation of internal partitions, completion of roof light installation, windows and curtain walling and commencement of floor preparation throughout the building.
- An update on the demolition of the Bevan and Bronte buildings was provided noting works have commenced, advising asbestos has been found in the Bevan. A member asked whether removal of asbestos would be an additional cost and was advised the removal cost of the asbestos in the Bevan had been provided for in the risk allowance, however the last unquantifiable unknown was whether there was asbestos in the ground and remained a risk. Q

In discussion it was noted that curriculum planning was taking place and a full plan for the construction for the ground floor had been agreed. In addition the AEB which colleges will receive in the New Year will allow a more creative offer for adults. Q

A member asked if the cashflow and matched funding continued to be track and the Finance Director reported the GMCA had agreed the revised programme of match funding and the project is on track to spend as planned. Q

A member asked if there were any further additional risks to highlight to the committee that would stop the project completing. In reply the Project Manager advised that as part of the exercise with GMCA they had reviewed risk allowance and all risks identified had occurred and been quantified, and no further risks had been identified. C

The Chair observed the project was progressing well and thanked the Project Manager for her report.

It was **RESOLVED** that members received the report as presented and noted the progress being achieved.

**5.14pm – Cath Inchbold retired from the meeting**

31/20

**Presentation – Apprenticeship Funding (Item 6)**

The Finance Director provided a presentation that detailed the complexities relating to the apprenticeship funding stream. He outlined the levy and non levy system and the way in which the college draws the funding down for an individual. He explained how the college monitors and budgets throughout the year noting the potential issues that arise with late starts or late completions and the way in which this can change income earned in year.

The Chair thanked the Finance Director for his presentation and agreed further reports on the subject would be useful to aide members understanding.

32/20

**Principal’s Update (Item 7)**

A copy of the Principal’s Report had previously been circulated to members for consideration prior to the meeting.

The Principal presented the report, welcoming questions and comments. Key points of interest included:-

**Finance –**

- 2019/20 had seen strong financial performance despite the impact that Covid had on finance and resources
- the financial position for 2020/21 has improved as a consequence of an additional £824k capital investment from central government, a further £200k T level capital investment (to improve vocational spaces in the UTC) and a better than expected settlement with Oldham Council and the ESFA for high needs learners
- noted that other areas of income are stable, with the main risk relating to apprenticeship recruitment which is slightly below target noting the main issue being construction and the impact of the pandemic.
- The College is recommending that the proposed 2% pay increase for staff be implemented (see minute 40/20 – Item 16 College Staff Annual Pay Review 2020/21). A detailed discussion took place and members asked and debated if analysis had been completed to show the college could afford the proposed 2%, and whether in the current climate should a pay increase be implemented. The Principal replied that the proposal was based on comparator of salaries with schools and other colleges, the college had accounted for the increase in this year’s accounts and was affordable, and the Union’s view was that the sector should be closing the gap. Members also acknowledged the number of years the college had not received an annual pay increase and the difficulties in recruiting staff into key posts. Members considered the information provided and concluded they recommended the 2% increase and the minimum pay rise of £400 for the lower paid staff to the Corporation at its December meeting.

C  
Q

**Recruitment and Income**

- Reported income for this year was almost as planned, with 16-18 recruitment around 100 better than last year whilst Adult, apprenticeship and UCO recruitment were all challenging
- The announcement of a new “Lifetime Guarantee” for all adults seeking to do a Level 3 qualification, which goes live in March 2021, opens the prospect of growing a significant adult programme in Oldham. Members were advised the work being undertaken on curriculum is taking this into account, and the marketing team are preparing a new adult prospectus to launch as part of the “skills led recovery” for Oldham in the New Year.

**Estates**

- Construction Centre – Reported that work is progressing well and is ahead of schedule. Members were pleased to note the positive publicity being attracted for the College.
- UTC – Reported the move to the UTC has been completed. There remains some work to do and this will be completed over the next few weeks

- Safe College – The Principal updated members on the significant investment of time and funding that has been taken in ensuring the College is secure, including enhanced hygiene and social distancing measures.

#### **Marketing and Recruitment**

- Reported the Virtual Open Days continued to take place for UCO and the College with a pleasing number of applications being received for 16-18.

#### **People Plan and Human Resources**

- It was noted the overhaul of HR systems, team and procedures was proceeding. The Principal advised the College had undertaken Leadership Coaching training at all management levels this term, along with the Management for Distinction training programme for educational leaders to improve quality. Members acknowledged the work taking place to develop its staff.
- In discussion it was noted that staff have worked extremely hard throughout lockdown and since the start of the demolition work and relocation of offices and extra capacity has been identified to help workload in some areas of the college. In addition HR have provided wellbeing support to all staff.

It was **RESOLVED** that:-

- members noted the Principal's Report as presented,
- members recommended approval to the Corporation to implement a 2% pay increase and a minimum pay rise of £400 for the lower paid staff to the Corporation at its December meeting.

**33/20**

#### **Financial Statements for 2019/20 (Item 8)**

A report detailing the draft management accounts for 2019/20 had been prepared by the Finance Director and previously circulated to members for consideration. He advised that the written elements of the statements were still draft and the final version would be presented to the Corporation at its December 2020 meeting.

The report drew member's attention to the debtor's ledger and noted the approach taken to recoverability and the recommendation of bad debt provision within the report of £158,791.

Members approved the bad debt provision as reported.

Further detailed discussion took place and the Finance Director explained the reconciliation of the financial accounts against the management accounts which members noted.

Deficit before other gains and losses	-£ 971.00
Bank Interest	£ 503.00
Pension Interest	£ 298.00
Depreciation	£1,488.00
Capital Grant	-£ 338.00
FRS 103 Charge	£1,417.00
 EBITDA	 £2,397.00
 EBITDA management accounts	 £2,396.00
 difference	 £ 1.00

It was **RESOLVED** that:-

- members approved the Financial Statements for the year ended 31 July 2020 (subject to the written element being made available to the Corporation at its 15 December 2020 meeting), and

- (ii) approved the bad debt provision of £158,791.

34/20

**Management Accounts for October 2020 (Item 9)**

A copy of the management accounts up to October 2020 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 three months is £680k (budget £660k),
- All income streams continue to be closely monitored to ensure income targets are achieved
- Noted that 19+ recruitment for full time was as planned, whilst part time was currently below target. However the Finance Director reported this was expected to rise and target would be achieved
- Reported Covid had impacted negatively on Apprenticeship starts since April 2020 and the forecast was £150k below the budget target
- Reported that HE recruitment had also been impacted due to Covid and the current shortfall compared to target was £150k (re-forecast income £4,050m)
- Noted that High Needs budget was forecast to be met
- Advance learner loans were reported as below target and income therefore reduced by £50k

In discussion a member asked if the proposed pay increase had been built into the budget and was assured that the salary budget included the increase from January 2021.

It was **RESOLVED** that members received the management accounts as at October 2020.

35/20

**Treasury Position and Cash Flow (Item 10)**

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 October 2020 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 will be in April 2021 when there will be £2,733k headroom (2019/20 £1,716k headroom)
- The current budget and forecast balance sheet for the year are in line with the ESFA forecast model
- The College is not in breach of any of the revised loan covenants. The Finance Director reported the college was in discussion with Santander with regards to revised bank covenants
- Noted the current high cash balance was due to the Further Education Capital Grant the college had received and the receipt of the first two terms of the student loan company.

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

36/20

**Fees Policy 2021/22 (Item 11)**

A copy of the revised Fees Policy for 2021/22 had previously been circulated to members for consideration prior to the meeting. The Finance Director reported there was one change to note which was that GMCA had increased the low wage threshold to £18,135.

It was **RESOLVED** that members approved the Fees Policy 2021/22 as presented.

- 37/20**      **HE Fees 2022/23 (Item 12)**  
A report has previously been circulated that updated members on the fee structure for 2022/23.  
Members considered the report and supported the recommendation that as a university based in an FE college and designed to meet the needs of local people, it is desired to keep the financial burden on students down. Members confirmed their approval to keep fees for 2022/23 at £7,500 per annum, pro rata for part times courses, with the right to charge a higher fee of £8,000 for any courses that are expensive to run.  
It was also reported that the College has completed an Access Agreement and submitted it to OFFA (the Office for Fair Access) stating that fees would be up to a maximum of £9,000.
- It was **RESOLVED** that members approved the fees for 2022/23 as reported.
- 38/20**      **Risk Management Register (Item 14)**  
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.
- It was **RESOLVED** that members noted the Risk Management Register as presented.
- 39/20**      **Financial Regulations (Item 15)**  
A copy of the Financial Regulations had previously been circulated to members for their consideration. It was reported there were no changes to report.
- It was **RESOLVED** that the Financial Regulations as presented were recommended for approval to the Full Corporation at its December 2020 meeting.
- 40/20**      **College Staff Annual Pay Review 2020/21 (Item 17)**  
A report had previously been circulated that provided members with the College’s proposal regarding the 2020/21 pay review – **see discussion at minute 32/20** .  
The report detailed the rationale for the proposal, including the financial and ongoing recruitment and retention implications and staff morale.
- 41/20**      **Contracts over £30k (Item 17)**  
A report had previously been circulated that detailed all contracts awarded over £30k since the previous meeting.  
It was **RESOLVED** that members noted the report.
- 42/20**      **Workplan 2019/20 and Commentary on Changes (Item 18)**  
A copy of the Workplan for 2020/21 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.
- 43/20**      **Any Other Business**  
**(i) Report sent TO ESFA**  
The Finance Director provided a copy of the commentary sent to the ESFA to support the November 2020 financial return. Members noted the report as presented.

44/20 Dates of future meetings for 2020/21  
 16 March 2021  
 15 June 2021

Meeting finished at 6.30pm

Signed: .....  
 Chair

Date: .....

**Rolling Action List – Resources Committee 1 December 2020**

Meeting Date(s) & Item No.	Rolling Action List	Actioner	Reported as Completed at meeting of
13 10 20 Min 6/20 (i)	<b><u>Funding Presentation</u></b> A presentation be delivered at the December 2020 Resources Committee to explain further the complexities of apprenticeship funding.	Finance Director	01 12 20 29/20 (i)
13 10 20 Min 6/20 (ii)  01 12 20 29/20 (ii)	<b><u>Probationary Policy</u></b> Draft policy to be presented to the October 2020 Resources Committee. Deferred to a future meeting.	Head of HR	
01 12 20 Min 32/20 and 40/20	<b><u>Principal's Report and College Staff Annual Pay Review</u></b> Approval recommended to the Corporation to implement a 2% pay increase and a minimum pay rise of £400 for the lower paid staff to the Corporation at its December 2020 meeting	Finance Director	
01 12 20 Min 33/20	<b><u>Financial Statement 2019/20</u></b> Members approved the Financial Statements for the year ended 31 July 2020 (subject to the written element being made available to the Corporation at its 15 December 2020 meeting)	Finance Director	
01 12 20 Min 39/20	<b><u>Financial Regulations</u></b> Financial Regulations be recommended for approval to the Full Corporation at its December 2020 meeting	Finance Director	