



HOPWOOD HALL COLLEGE

MINUTES OF THE CORPORATION BOARD MEETING HELD ON 14TH OCTOBER 2021

Present:

Nazir Afzal (Chair), Helen Barton, Julia Heap (Principal / Chief Executive), Susan Ayres, Clive Reid, Steve Taylor, Greg Walsh, Jennifer Worsdale, Julie Burns, Jim Gallagher, Paul Dixon, Sarfaraz Akram, Martin Salins, Rob Jones, Cathy Berry, Vanda Hagan

In Attendance:

Jo Bentley (Executive Director of Finance, Estates & Risk Management)
Andrea Murphy (Deputy Principal)
Caroline Street (Executive Director Business & Student Support)
Fatema Hussein (Clerk to the Corporation)

Meeting Commenced: 5.00pm

Meeting Ended: 6.40pm

Attendance: 94%

Quorum 8

1. Apologies for Absence

Apologies were received and accepted from Andrew Baggaley.

The new Staff Governor Julie Burns was welcomed and introduced to the meeting.

It was noted that the former Chair Robert Clegg's funeral had been held yesterday, and College had passed on the Board's condolences to Robert's family. Governors acknowledged the contribution that he had made to the Board.

2. Declarations of Interest

Members were invited to declare any direct, indirect, personal, pecuniary or prejudicial interest on any item on the agenda.

The Principal & CEO declared an interest in item 18.3

3. Approval of the Minutes – 1st July 2021

Agreed that: the minutes of the meeting held on 1st July 2021 are approved as a correct record and authorised for publication (Part 1)

4. Matters Arising from the Minutes

The action progress log was reviewed, and it was noted that trend data had been include in the Safeguarding report as requested.

5. Committee Minutes

The Board received the minutes of the Committee meetings with the following points highlighted by the Committee Chairs:

Employment & Finance Committee 21st September 2021

- The Committee had been pleased that College had maintained Outstanding financial health for 2020-21 despite challenging circumstances
- The proposal for a non-consolidated staff pay award for 2020-21 was being recommended to the Board
- Committee members had been supportive of the proposal to build an additional floor for H.E. provision as part of the Rochdale B block new build
- Increased costs for the Technology Centre project had been discussed and it was recognised that the cost of building materials had increased sharply over the last 3 months or so

Search & Governance Committee 22nd September 2021

- Governor Terms of Office had been reviewed and it had been noted that Jim Gallagher and Vanda Hagan would be stepping down from the Board in August 2022
- Discussions had been held with Sarfaraz Akram to take on the Chair of Finance role when Jim Gallagher stepped down
- Jacqui Mellor had resigned from the Board
- Lee Sugden had decided to continue as a Co-opted member on the Audit Committee

Standards Committee 22nd September 2021

- The Committee had discussed the issue of Health and Social Care students who would be required to be fully vaccinated in order to undertake work placements
- College was explaining to students that certain settings would not accept them for placement if they were not fully vaccinated
- An update had been received on curriculum bids and College had been successful with two bids and was still waiting to hear on some others
- The Committee had reviewed the Quality Improvement Plan for 2020/21 and it was noted that the development targets for work experience, Maths & English and attendance had not been met due to Covid related reasons

Audit Committee 30th September 2021

- The external Auditors had indicated that the signing off the financial statements may be delayed due to the forthcoming ESFA audit
- The Committee had requested that the Auditors came up with a solution which could include some additional commentary in the financial statements to take account of the PWC audit
- An Amber rating had been issued by the GMCA for the compliance review of the Adult Education Budget
- This was the first time that this type of review had been undertaken and minor issues had been identified

- No College had received a Green rating

The Executive Director of Finance, Estates & Risk Management advised that discussions had been held with PWC who had advised that the signing off of the accounts should not be delayed. The External Auditors would be putting forward a recommendation to the Audit Committee regarding this.

6. Principal's Report

The Principal & Chief Executive presented her report with the following points highlighted to the Board:

- It had been a very busy first half-term with Covid impacting on staff attendance over the last two weeks
- The whole of the Uniformed Public Services Team had been self-isolating, and lessons had been delivered online for the past 10 days
- Public health England had been notified
- The strategic intentions of the College were to be formally launched next week to tie in with the Colleges week campaign
- The aspirational target for enrolments had not been met but College would exceed the ESFA contract target for 16-19
- Adult and Apprenticeship recruitment was positive
- As part of the stakeholder engagement strategy, executives from the Institute of Apprenticeships and Technical Education had visited College with some very positive feedback received about the multi-skills provision
- Strong appointments had been made to all key management posts

The Chair commented that enrolment on 16 to 18 programmes within the Greater Manchester region had increased but the picture was varied for other programme areas

7. Hopwood Old Hall - Letter from Trustees

Governors were referred to the correspondence that had been received from the Hopwood Old Hall Trustees in response to the letter that had been sent to them by the Board in July.

The Chair explained that he had also received a letter from Councilor June West and Historic England pledging their support for the renovation of the Old Hall. The Trustees were proposing that a tripartite working group consisting of the Governors, Council and Old Hall Trustees was formed to progress matters further.

The Board considered the response from the Trustees and the Principal put forward a proposal regarding extending access to the Old Hall for contractors to undertake renovation work.

RESOLVED:

Following a discussion, the Board agreed that:

- A tripartite working group was formed, and that membership of the group was limited to 12 members, with no more than 4 representatives from each of the three parties
- 17th November was put forward as the first working group meeting date

- The Board would be represented by the Chair, Principal & CEO, Susan Ayers and Rob Jones
- The Principal & CEO would liaise with the Council to make arrangements for extended short-term access for the Contractors
- A formal Memorandum of Understanding was drawn up in relation to access rights
- College would seek clarification regarding any implications on the College's insurance arrangements in relation to public liability and risk

A Governor queried whether the volunteers undertaking work on the Old Hall had been vetted.

The Principal & CEO stated that a register was kept and volunteers were required to sign in when they accessed the Old Hall.

A Governor suggested that College needed to ensure that it had the appropriate checks and controls in place.

ACTION:

Principal & CEO to check

8. Teacher Assessed Grades and Results Update

- The College would not have a 'hard' close on achievement rates until the end of October 2021
- This was due to the process involved in claiming achievements and uploading them to the system
- The current best-case scenario for all ages achievement rate was circa 86%
- This was a drop from 89% last academic year, with the decrease was due to qualifications where there had been no adaptations
- Issues around lack of adaptations in Access qualifications have been part of a national campaign from the Association of Colleges, but despite this, no changes were made by awarding organisations
- Further analysis of the English and Maths departmental achievement performance had concluded that the main cause for a decrease in performance was functional skills, with no adaptations having been made by the awarding organisations

Level 3 Value Added

There had been a significant increase in the number of learners on the 2016 BTEC specifications increasing from 16 to 76 learners and a significant move away from 2010 BTEC specifications. Both 2016 standards metrics and 2010 qualifications metrics had improved

9. Governor Re-appointments

Discussed as part of Item 5.

10. Capital Projects

- The college had successfully been awarded the T level Science bid (£1.3m capital cost) with total grant approved of £650k

- The T Level Engineering capital bid had been approved in principle subject to receiving additional information which had been sent. Total Grant income of £650k.
- Post 16 growth bids – the college has not received any feedback on these two bids. The outcome decision has been delayed to Autumn 2021

10.1 B Block - HE Provision

Option to build a HE floor in new Rochdale B block

- The DfE had confirmed that there would be an option for the College to fund another phase at the same time to take advantage of the economies of scale, but would need to be College funded
- In order to afford this, the College would need to reassess future projects and consider delaying other projects earmarked for future years
- The estimated cost was £3.3m

Governor Questions

Q. Was management confident that it would be able to increase H.E. numbers to the level required to justify the additional cost?

A. SMT had set some aspirational targets for H.E as Hopwood Hall currently had the lowest number of H.E. students of any Greater Manchester College. The town centre location in Rochdale would be more accessible than the Middleton campus and there was the opportunity to do this whilst the building work was taking place.

RESOLVED:

Following a discussion, the Board agreed that College explored the option of extending the Rochdale B block for HE provision

DfE Memorandum of Understanding - Rochdale B Block

The Principal & CEO explained that:

- In order to progress the scheme and for the DfE to continue to commit funds to this scheme, College was required to formally sign a Memorandum of Understanding which sets out the basic agreement between both parties
- Legal advice had been sought with two key points raised
- This was to remove any areas of ambiguity including the level of match funding the College was required to commit and conditions around the security against the College estate
- DfE had confirmed that they had no flexibility to change the underlying security terms within the MoU
- However, there may be options as part of the next phase, and a deed of priority or other options could be considered
- There was a risk that College may need to renegotiate the loans with the bank as a result of securities required by DfE
- Given the significant amount of capital funding involved (approx. £10m-£12m management was proposing that Governors accept this financial risk as the overall net benefit was significantly in the College's favour

RESOLVED:

Members agreed that the MoU was formally signed by the Principal & Chair of Governors to allow the scheme to progress to Funding Agreement stage. It was noted that security on the estate may be required in discussion with the College's banks if this could not be changed at Funding Agreement stage

10.2 TEC Centre & Refectory Extension Costs

The Board considered the revised overall project budget for the scheme (£11.688m). This represented an additional cost of £2.36m which was affordable and would be funded from the college's own cash reserves.

Members agreed that additional capacity was urgently needed in order to accommodate learner growth in both the Tec centre and the College as a whole. The College had secured a capital grant from GMCA (Total £1.7m) which must be spent during 2021/22 and this funding would be at risk if the project did not go ahead as planned.

The Chair of the Finance Committee stated that this was not unexpected and was due to increased costs caused by shortages of building materials worldwide.

RESOLVED:

The Board approved the increase in the overall project cost for the Tec Centre and Refectory extension

11. LIBOR Transition Choices

Governors were informed that:

- LIBOR interest rates would be phased out by the end of 2021 and banks were contacting institutions with existing bank loans who had reference to the LIBOR rates to transition to either the Bank base rate or SONIA
- As the College's loan agreements were fixed term, there would be no impact on the amount of interest charged as a result of the change from LIBOR to either SONIA or Bank base rate
- There were penalties for breaking the fixed rate, which College would not do as it would not want to incur these charges

RESOLVED:

The Board approved the recommendation from the Employment & Finance Committee to make the transition to Bank base rate (based on the banks preferred transition rates) following the cessation of LIBOR and to authorise the Principal/Chief Executive to sign any transition documentation from the banks on behalf of the Governors

12. Financial Update incl Capital Projects

The Principal & CEO reported that:

- An underlying operating surplus of £1.7m (after covid costs and prior to FRS102) was confirmed for the 2020-21 financial year
- This was in line with the 'Best' case scenario reported at the July meeting following confirmation of the tolerance of AEB funding

- The year- end position was much improved compared to the original budget set due to additional unbudgeted income received during the year including 16-18 'in-year' growth funding, increase to apprenticeship income and other grant income
- Pay as a percentage of income was 63% as at 31 July 2021
- The outstanding financial health position would be maintained although not formally confirmed until the Autumn by the ESFA
- The cash position was strong with £16.143m in the bank and 215 cash days in hand
- All financial KPI's had been exceeded for the year and all FE commissioner financial performance benchmarks met
- Bank loan covenant conditions had also been met

Staff Pay Award (Non- Consolidated)

The Principal & CEO explained that:

- An additional non-consolidated pay award of 1.5% (£260,000 overall cost) was being proposed for all staff
- This related to 2020/21 and had been accounted for in the 31 July year end position
- The payment would be made during November/December 2021 and was in recognition of staff performance for exceeding the 16–19-year-old ESFA contract in 2020/21; fully delivering the AEB devolved element within the tolerance, increases in apprenticeship and HE student numbers

RESOLVED:

The Board approved the non-consolidated pay award in respect of the 2020-21 financial year.

Health & Safety Annual Report

The report had been reviewed by the Employment & Finance Committee who had noted that all key health & safety risks had been effectively managed during the year including covid related risks.

RESOLVED:

That the report be received and noted.

13. ESFA Interim Chief Executive Letter

Governors reviewed the letter from the ESFA and in response to a question, management confirmed that the additional reporting requirements in the Supplementary Bulletin to the College Accounts Direction and the Post-16 Audit Code of Practice would be incorporated into the 2020-21 financial statements.

14. Risk Register – Top 10 Risks

The top 10 risks were reviewed and noted.

15. Annual Safeguarding Report

The Executive Director of Business and Student Support presented the report with the following points highlighted to Governors:

- Increasing numbers of vulnerable learners were accessing the College, with high volumes of safeguarding activity and concerns having been addressed
- At enrolment, the Safeguarding, Pastoral and Welfare team met every new learner and undertook a screening process to identify any vulnerabilities
- The Designated Safeguarding Officers attended all tutorials at the start of the year to ensure that all students were aware of who they were and how concerns could be raised
- Learners were safeguarded throughout the Covid pandemic lockdown

Transition Projects

In order to support the transition of vulnerable learners into College, three specific transition projects had been delivered, and further impact measures would be reported at the next meeting.

Peer on Peer Abuse

- All relevant College policies had been updated to reflect this advice
- The Safeguarding, Pastoral and Welfare team had received training from the Youth Offending Team on Sexually Harmful Behaviour
- Tutorial sessions had been delivered to learners to raise awareness of this issue
- Further work would take place throughout the year to embed the zero-tolerance approach throughout the College

Governors agreed that comprehensive work was being undertaken on Safeguarding and protecting learners throughout the College.

The Clerk advised that it was a requirement for all Governors to have read and understood Part 1 of the KCSIE Guidance September 2021

ACTION:

Clerk to circulate guidance to all members

Paul Dixon left the meeting at this point.

16. * College KPI's 2021/22 Update

The 2021/22 Key Performance Indicators were reviewed and noted.

17. Use of Corporation Seal

The Clerk reported that the seal had been used on 14th September 2021 for the signing of the following documents:

- Building contract with Dimstage for the Ashworth Digital Hub summer works
- Contract with Curtins - Duty of care deed relating to Edgar Wood Academy
- Contract with Wates - Duty of care deed relating to Edgar Wood Academy

All 3 documents were signed by the Chair and Principal / CEO

RESOLVED:

The Board noted the use of the College seal

18. Items for Information

Governors were made aware of the following documents that had been placed in the Convene document library:

- AMPI Thank You Letter
- Trailblazer and Development Fund Pilot Areas
- Letter from the Education Secretary
- A message from Minister Donelan and Minister Burghart
- Review of Post 16 Qualifications at Level 3
- Pioneer's Trust Applied General Letter
- Spending Review – AOC Submission
- AOC Response to Funding & Accountability Consultation

19. Reserved Business

19.1 Appraisal & Remuneration Meeting Minutes - 21st September 2021

The minutes of the meeting were received and noted.

Staff Pay Award

The Principal and CEO explained that a pay award had been included for in the 2021-2022 budget plan and forecast. College was proposing a 1.5% consolidated award subject to the enrolment target having been met on the census date. This would be backdated to 1 September 2021

RESOLVED:

The Board discussed and approved the 1.5% pay award

19.2 Senior Postholder Performance Appraisal Update

Discussed under Reserved Business.

19.3 Principal & CEO Performance Appraisal Update

Discussed under Reserved Business.

20. Date and Time of Next Meeting

Thursday 14th December 2021 at 5.00pm