



HOPWOOD HALL COLLEGE

EMPLOYMENT & FINANCE COMMITTEE

Minutes of the Meeting Held on 25th November 2021

Governors Present:

Jim Gallagher	Independent Member & Committee Chair
Julia Heap	Principal & Chief Executive
Martin Salins	Independent Member
Paul Dixon	Independent Member
Sarfaraz Akram	Independent Member
Paul Bevan	Co-opted Member

In Attendance:

Jo Bentley	Executive Director of Finance & Estates
Matthew Taylor	Executive Director Performance & Planning
Fatema Hussein	Clerk to the Corporation

Meeting Commenced:	4.30pm
Meeting Ended:	5.45pm
Attendance:	100%
Quorum	3

1. Apologies for Absence

There were no apologies to receive.

The Co-opted member Paul Bevan was welcomed and introduced to the meeting.

2. Declarations of Interest

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

There were no declarations made.

3. Approval of the Minutes –21st September 2021

Agreed that: the minutes of the meeting held on 21st September 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 all actions had been completed.

4.1 Health & Safety – Chlorinated Water

The Executive Director of Finance & Estates reported that the incident had occurred at the Middleton campus on 17/11/20. As the contract for chlorination was managed by a third party (CBRE), the following actions had been undertaken by CBRE to ensure that this did not happen again:

- An independent investigation using a 3rd party water specialist was carried out to establish root causes and remedial actions required
- The Legionella maintenance supplier was changed on the account and the previous supplier removed from the approved list for business
- The RAMS of the new supplier had been reviewed to ensure details included water sampling and chlorination activities, communication of activities, signage, and testing of outlets post activity to show return to normal levels
- CBRE staff had undergone fresh Level 2 Legionella Awareness training and been booked to complete Level 3
- CBRE had paid for the Hopwood Hall College Technical Manager to undertake Level 2 Legionella Awareness training, and provided a quote to the College for a Written Scheme of control / Water Safety Plan to be developed
- They had also produced a lessons learnt document to communicate the incident and raise awareness across the CBRE business
- Although CBRE advised that the incident was not classed as a notifiable RIDDOR, the College separately completed a RIDDOR on 27/11/20 but no further action was taken by the HSE
- The RAMS and data sheets had been passed to the Chair for information prior to the meeting

Governor Questions

Q. How was the member of staff?

A. They were fine, and the incident had not resulted in any litigation

Members confirmed that they were satisfied with the actions taken by the College and the third party in connection with this incident.

4.2 Staff Turnover Data

The data requested by the Committee had been included in the HR report and it was noted that:

- A further analysis into the 24% turnover reported for 2020/21 had been undertaken
- Employee turnover had consistently remained around the College's KPI target of 15% in recent years
- In 2020/21 there had been a significant increase in employee turnover, with levels at 24%
- Employee survey responses indicated high levels of employee satisfaction and engagement
- The CIPD had indicated that high employee turnover was occurring on a national level following on from the pandemic
- The pandemic had in many cases, provided people with greater work-life balance, and an opportunity to reflect on their career aspirations
- It was also likely that people who were looking to resign pre-pandemic, may have deferred their resignations during what was a period of uncertainty

- Exit interview data for the College was consistent with this information, with the majority of leavers providing positive feedback regarding their employment at the College
- Most employees cited either promotion or change of career/industry as their reason for leaving

5. 2020/21 Audit Management Letter & Regularity Audit Opinion

The Executive Director of Finance, Estates & Risk Management reported that:

- Following the external audit, Wylie & Bisset were expecting to issue an unqualified audit opinion for the College and Quest Pennine Ltd
- The ESFA funding audit was currently taking place
- A note had been included in the financial statements in relation to this

Governor Questions

Q. Were any errors expected from the ESFA funding audit?

A. The sample size was quite large (120 learners) and there was a chance that there may be some errors. However, College was confident that it had strong controls in place

RESOLVED:

That the management letter for the College and Quest Pennine Ltd be received and accepted

6. Draft Report & Financial Statements 2020/21 (incorporating Quest (Pennine) Ltd

The Executive Director of Finance & Estates presented the Financial Statements for the year ended 2020/2021 and explained that:

- There had been no changes to the final year end income and expenditure figures since they had been last shared with the Committee
- No recommendations had been made by the Auditors in relation to the accounts and they would be signing them off once they had received the final reconciliation statement from the ESFA

The Committee considered the Report and Financial Statements, with particular regard to the Strategic Report, Statement of Corporate Governance and Internal Control and the Statement of Responsibilities of Members of the Corporation.

Governor Questions

Q. Was the additional information that had been included in relation to staff costs necessary / required?

A. This related to a member of the senior leadership team and the figure of £15,000 was a pro-rata amount

Q. There were some columns and rows with no data included and did these need to be taken out?

A. This had been raised at the Audit Committee meeting and verified with the Auditors. College had decided to keep it in this year but would look to amending for the next financial year

RESOLVED:

The Committee agreed:

- To confirm to the Corporation Board their opinion that the College is, and continues to be, a 'going concern'
- That the Report and Financial Statements for the year ended 31 July 2021 were endorsed for approval by the Corporation Board

ACTION:

Clerk / Board Agenda

The Committee thanked the Executive Director of Finance and her team for ensuring that the financial statements were ready in time and for the clean audit opinion.

7. Letters of Representation 2020/21

RESOLVED:

The letters of representation were reviewed and endorsed for approval by the Board.

8. 2021/ 2022 Enrolments - Confirmation of Final Numbers (Against Funding & Growth targets)

The Executive Director of Performance, Planning & Information reported that:

- The final 16-19 number at funding census point was 3,160 against the ESFA Contract value of 3,010
- 16-19 enrolment, although an increase on last year, was currently under the curriculum planning target by 192 learners
- The College had recruited over 3,500 learners and attrition stood at 345 learners, 9.8% of the total enrolled
- This rate of attrition was at a similar level to last year's 10.1%
- Management was in the process of conducting further analysis to understand the impact of attrition
- Adult recruitment was profiled across the year with full-time and some part-time courses starting in September and part-time, short courses and community learning provision running throughout the academic year
- An open evening had been held last week for adult courses starting in January 2022
- HE Provision had grown on last year (+30) but remained below the College target.
- Apprenticeship recruitment had been strong so far this year with the 16-18 target exceeded

Governor Questions

Q. When would the KPI for full cost recovery be confirmed?

A. This would be towards the end of the academic year. College had some short trades courses on offer currently which would help to meet the target

9. Management Accounts – 31 October 2021

The Executive Director Finance, Estates & Risk Management presented the

management accounts for the month ended 31 October 2021 and it was noted that:

- The Income and Expenditure Account showed an Operating YTD Surplus (before FRS102) of £188k for the 3-month period, compared to a Budgeted deficit of £32k
- This was a positive variance of £220k
- Actual Income earned of £6,691k compared to a budget of £6,864k, a decrease of £173k
- Expenditure (excluding covid costs) was £6,474k against a budget of £6,842k, a favourable variance of £368k
- Full Year Forecast has been updated for all known changes to both income, pay and non-costs. The Full Year Forecast as at 31 October, is showing a Net Surplus of £208k compared to a Budgeted deficit of £218k (after covid contingency costs before FRS102), a favourable variance of £426k
- College remained in 'Outstanding' financial health and complied with all bank loan covenants for the year
- Cash reserves and liquidity were both strong however, as per the cashflow forecasts, the cash would reduce during the year to reflect the implementation of the Estate's strategy
- All KPI's were being met with the exception of staff costs
- The 16-18 income target had been met but Adult Provision was currently rated high risk as enrolment was ongoing throughout the year
- Commercial income was satisfactory, but another lockdown could affect this

Advanced Technology Centre – Confirmation of Contract Sum

Following Corporation approval to increase the Advanced Technology, Refectory and T level Extension project by £2.3m due to build cost inflation, the College had revised the capital budgets and adjusted the Capital Budget for 2021/22 (£11.972m) to reflect the known change.

Following finalisation of the value engineering exercise, a further saving was identified of £31,575 plus VAT and the final contract sum agreed with the preferred supplier of £8,110,156 plus Vat.

Capital Budget

- Post 16 capital bids for Bistros & remodelling Henry West had been unsuccessful
- The capital budget of £1.353m had been removed but an allowance for the Lounge to be remodelled had been added, as this was still needed
- An exercise was currently underway to freeze all non-essential capital spend in 2021/22 in order to recover some of the loss of T level capital funding and the increased inflationary costs of the Advanced Technology Centre
- As some projects had already started, the amount of capital savings was limited
- Next year's capital allocation would be significantly reduced and only include essential IT, Building Condition and essential equipment spend

Reed Agency Contract

The Committee was informed that College was proposing to extend the contract with Reed for a further 12 months. The agency provided short term staff cover (teaching and support) to the College.

RESOLVED:

The Committee approved the proposal to extend the Reed Agency contract by a further 12 months and that the revised contract sum of £8,110,156 plus vat be awarded to the preferred supplier.

10. HR Report

The Committee reviewed the HR report and the Director of Finance advised that the trade union representatives through the JNC meetings had put forward an alternative proposal to the 1.5% already agreed by the Board

Governor Questions

Q. What was the reason for the high staff attrition rate within the Business Support function?

A. This was in relation to staff who had been employed via the Tuition fund and Learning Support Assistants on temporary contracts

11. *Key Performance Indicators Update

It was noted that all performance indicators were being met with the exception of staff costs. Additional staff had been employed to deliver on the Kick Start Scheme.

12. Date and Time of Next Meeting

Thursday 24th March 2022 at 4.30pm

*Standing Item