



HOPWOOD HALL COLLEGE

EMPLOYMENT & FINANCE COMMITTEE MEETING

Minutes of the Meeting Held on 10th June 2021

Governors Present:

Jim Gallagher	Independent Member & Committee Chair
Julia Heap	Principal & Chief Executive
Jacqui Mellor	Independent Member
Paul Dixon	Independent Member
Martin Salins	Independent Member

In Attendance:

Jo Bentley	Executive Director of Finance & Estates
Matthew Taylor	Executive Director Performance & Planning
Caroline Street	Executive Director Business & Student Support
Fatema Hussein	Clerk to the Corporation

Meeting Commenced:	4.00pm
Meeting Ended:	5.15pm
Attendance:	100%
Quorum	3

1. Apologies for Absence

There were no apologies to receive.

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 – 29th April 2021

Agreed that: the minutes of the meeting held on 29th April are approved as a correct record and authorised for publication

4. Matters Arising from the Minutes

The action progress log was reviewed and it was confirmed that all actions had been completed.

5. Management Accounts – 30 April 2021

The Executive Director of Finance & Estates presented the accounts for the month ending 30 April 2021 and explained that:

- The financial position was strong with the Income and expenditure account showing an operating YTD Surplus (before FRS102 & COVID costs) of £842k for the 9 month period
- College was confident that the 90% threshold for Adult Education budget would be met
- A net surplus of £471,000 (after exceptional costs) was now being forecast for the financial year end
- Included within the full year forecast was the 'in-year' growth of 16-18 learners, an increase to programme funding of £927k
- College had also increased the full year forecast for Apprenticeship income by a further £455k
- The full year forecast was now in line with the 'Medium' case scenario
- All financial KPI's were being met with the exception of staff costs which were higher as they included Covid related costs

Governor Questions

Q. Staff costs were currently higher than the F.E. Commissioner benchmark. Would they be lower if Covid costs were excluded?

A. The Executive Director of Finance, Estates & Risk Management confirmed that they would be lower. The additional tuition fund monies received by the College had been added to the staffing budget and further increased the cost. Unlike other Colleges, the cleaning and catering staff at Hopwood were also directly employed by the College and not outsourced

Q. Was the tuition fund grant not recognised as income?

A. It was classed as income but all of the cost had to be spent on staffing to provide additional support to students

Q. How would the loss of commercial income be made up?

A. It would not be possible to make this up in the current financial year as the restaurant was not open and the Sports arena had not been open until recently

Q. How would students receive the necessary work experience if the Riverside Restaurant was to be closed down?

A. The Bistro would be used to provide some work experience and students were also required to have external work placements as part of their course

RESOLVED:

The Committee:

- Accepted the April Management accounts
- Noted the year-end operating surplus based on the medium case scenario
- Approved that the equipment allocation budget for items less than £1,000 could be increased in year by up £214k so staff could plan and prepare new courses in advance of the new academic year.

- Approved the increase to the Capital budget by £83k which had been funded from ESFA Specialist equipment grant
- Noted that additional T level equipment planned for 2021/22 may be brought forward in 2020/21 and financed from the total specialist equipment grant of £428k.

6. Budget 2021/22

The Executive Director of Finance, Estates & Risk Management presented the budget and financial plan for 2021/2022 with the following points highlighted to the Committee:

- The Financial Plan had been prepared to meet the College's strategic intentions and financial objectives
- The funding allocation for 21/22 had been confirmed and based on 3,010 learners, with a growth of 242 learners on the previous year's allocation. This figure also included an additional £78k for High Value courses
- A break-even budget position was proposed which excluded 'Exceptional' COVID-19 related costs & FRS102 pension costs
- It had been assumed that by 2022/2023, there will be no further exceptional COVID-19 costs as the risks would have been lowered and managed
- 'Outstanding' financial health would be maintained throughout the period of the plan
- £11.67m of capital investment (before capital receipts of £3.175m) was planned in 2021/22 & £2.25m in 2022/23 as part of Estate investment strategy
- No confirmation had been received on the Tuition fund budget and there were a number of staff whose contracts were coming to an end soon
- Cash days would remain well within the 30 day target throughout the life of the plan.
- As College continues to invest in a number of capital projects, the level of cash reserves would reduce to £7.9m by 31 July 2022 and increasing to £8.8m in July 2023.
- Contingencies had been included to allow for unexpected costs with the budget having been set on the 'Medium' case scenario
- ESFA was currently consulting Colleges on changes to the financial health assessments but these would not be implemented until after the year ending 31 July '22 was assessed
- The key changes were to use the Debt Service Ratio rather than Debt as % income
- Under the proposed system, the Financial Health would remain at 'Outstanding'

Governor Questions

Q. When did the staff delivering the Tuition fund courses finish and when would confirmation regarding the Tuition fund be required by?

A. Staff finished at the end of July and there was a risk of losing them if confirmation was not received soon

Q. The budget was indicating that staff costs would increase in the next financial year and was this a risk?

A. College had experienced a growth in learner numbers and would require additional staffing to support this. Staff costs were supported by the curriculum

planning process and based on teaching hours required to deliver the curriculum. College had reduced the amount of sub-contracting that was undertaken and this had also contributed to an increase in staffing costs

RESOLVED:

The Committee reviewed and endorsed the proposed budget and financial plan for the 2021/2022 financial year and agreed that it was recommended to the Board for approval.

ACTION:

Clerk to include on Board agenda

7. Fees Policy

The Executive Director Performance & Planning advised that no major changes were being proposed to the policy and it had been updated to reflect changes in funding guidance.

RESOLVED:

The Committee agreed that the policy was recommended to the Board for approval

The Chair requested that all changes to policies were highlighted in future.

ACTION:

- SMT to highlight all policy changes
- Clerk – include policy on Board agenda

8. Capital Projects & Contracts Update

The following update was provided to the Committee:

- Work to the Refectory and T Level extension were now at Stage 3
- The Ashworth Digital Hub project was currently out to tender with a return date of 8 June
- A meeting was planned for 11 June to discuss the level of match funding for the DfE Rochdale B Block project
- A technical advisor had been appointed by DfE to define the scope of works and specification of the new building
- Bids for the T Level Tech Centre Extension & Analytical Science Lab Refurbishment had been submitted and the College was awaiting feedback on the outcome which was due at the end of July 2021.
- A new capital fund (Post 16 Capacity fund) had been launched for Colleges and Academies with a submission deadline of 14 June 2021
- This fund was to support the increase of space due to growth in learner numbers across the sector
- If successful, all projects would need to be completed by 31 August 2022. The College was proposing to submit the following 2 bids:
 - Bid 1 – Refectory Extension plus remodeling of the lounge into an extended Refectory plus the remodeling of support services areas within

- Henry West building
- £1.3 million bid with a 16% contribution from College if successful
- Bid 2 – Reconfiguration of the Bistro and Restaurant area to develop larger and more improved facilities for learners by opening up the spaces
- Total Cost £950,000 with a 16% contribution from the College
- The short term lease agreement with Edgar Wood School had been signed and contracts exchanged.

RESOLVED:

The Committee approved the 2 capital bids to the Post 16 Capacity Fund by the due deadline of 14 June.

Matthew Taylor left the meeting at this point.

9. HR Report

The following update was provided by the Executive Director Business & Student Support:

- College was continuing to encourage Staff and students to undertake twice weekly lateral flow tests at home
- In the week prior to the May half term, the number of cases had begun to rise slightly impacting on staff and student attendance
- Reporting of results was low and College was encouraging students to do so
- Interviews for the 3 Centre Director posts were to be held next week
- Minor restructuring exercises had taken place in the Curriculum Leadership, Student Experience, Careers and Catering teams
- Plans were currently in development for the Training and Administration weeks at the end of the academic year
- Key activities planned included mental health first aid, digital skills development and use of Its Learning (VLE), bespoke Programme Manager development and team self-assessment activity
- The College Health and Wellbeing Group were planning the annual employee Health and Wellbeing day in July
- It was hoped that this would be held in person this year
- In order to attract a diverse field of candidates for current job vacancies, recruitment open evenings had been held
- The aim of these evenings had been to attract potential candidates for current or future job roles to come and visit the college to meet staff, take a tour and find out about the vision and values
- It had been explicitly stated in the advertisement for the event and key job roles that College wished to meet potential candidates from all backgrounds
- Staff absence due to COVID19 was recorded separately with a total of 302 staff members' attendance being impacted in various ways since the start of the academic year
- Since the start of this academic year, there had been 62 confirmed cases of COVID 19 for staff members and 25 cases whereby staff were required to self-isolate due to contact with a positive case whilst within College

Governors discussed ways in which a more diverse range of candidates could be

encouraged to apply for posts at the College and it was suggested that the College may need to go out into the community to increase awareness of the opportunities that were available.

10. ESFA Financial Health Letter & Financial Dashboard

The Committee was informed that:

- The letter and dashboard from the ESFA had confirmed the College's Outstanding financial health grading for 2019/20
- Based on the financial forecast submitted to the ESFA as at 31 January 2021, the financial health grading for 2021/2022 had been lowered from "Outstanding" to "Good"
- The projected under delivery of AEB income had moved the College into 'Good' financial health as at that point, there had been no confirmation of 'In year' Growth
- However, following submission, the College received confirmation of the 'in year' growth which moved the college back to 'Outstanding' financial health grade
- The College had spoken to ESFA and challenged the current financial health grading given the exceptional nature of the income received post 31 January
- ESFA had advised that there was no formal moderation of the financial health on forecast figures unless graded 'Inadequate'
- They were unable to amend this position until the Autumn term once the year-end financial statements had been submitted

RESOLVED:

Governors noted the ESFA dashboard and confirmation that College financial health would revert back to "Outstanding" at the end of the current financial year.

11. *Key Performance Indicators Update

It was confirmed that all financial KPI'S were being met.

12. Date and Time of Next Meeting

Thursday 30th September 2021 at 4.00pm