



HOPWOOD HALL COLLEGE

EMPLOYMENT & FINANCE COMMITTEE

Minutes of the Meeting Held on 29th September 2022

Governors Present:

Sarfaraz Akram	Independent Member & Committee Chair
Martin Salins	Independent Member
Paul Dixon	Independent Member
Paul Bevan	Co-opted Member
Gary Graham	Co-opted Member
Julie Burns	Staff Member

In Attendance:

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

Meeting Commenced:	4.30pm
Meeting Ended:	6.10pm
Attendance:	83%
Quorum	3

1. Apologies for Absence

Apologies had been received from Julia Heap.

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.

3. Approval of the Minutes – 23rd June 2022

Agreed that: the minutes of the meeting held on 23rd June are approved as a correct record and authorised for publication

4. Matters Arising from the Minutes

There were no matters arising from the minutes.

5. Management Accounts – 31 July 2022

The Executive Director of Finance & Estates presented the management accounts for the 12-month period ending 31 July 2022 and the following points were noted:

- An underlying operating surplus of £74k (after covid costs prior to FRS102 & revaluation reserved) had been carried forward into this year
- Outstanding Financial Health position had been maintained but would not be formally confirmed until later in the Autumn by the ESFA
- Pay as a percentage of income was 66.7%, excluding Tuition Fund & Covid staff costs
- The cash position by year end was strong with £14.998m in bank and 191.7 cash days in hand.
- All Corporate KPI's had been achieved for the financial year, and all bank loan covenant conditions met
- College was a 'going' concern
- The FRS102 report was showing a net asset rather than a net liability for the first year since reporting under FRS102
- The adjustment would appear in the financial statements currently being finalised and was likely to appear as a net zero
- Due to additional income received in-year and an underspend in some areas, College was looking at an additional pay bonus of up to 5% (£977k) relating to 2021/22 which had already been included in the 31 July 2022 year end position

Governor Questions

Q. Was the College's bank loan likely to be impacted by the increase in interest rates?

A. College had a fixed rate loan which had been fixed to the end of the loan term

Q. What was the current status with deposit balances?

A. These were now starting to increase and the intention was to do more work on treasury management this year

6. Budget Update 2022 / 2023 & Financial Risks

The Committee was provided with the following update:

- There had been some small increases in income compared to the original budget plan
- A break-even position was being forecast due to the current uncertainties
- An allocation of £100k had been made for new posts and this had increased pay costs overall

Governor Questions

Q. Would the College benefit from the cap on energy prices?

A. College was waiting for further details on how the scheme would work and it would also depend on the usage

Q. Would there be any impact on the budget following the Government announcements last week?

A. The College would benefit with the reversal of the increase in National Insurance payments. The reduction in Corporation tax would have a positive impact on the Quest Pennine accounts although as it is a wholly own subsidiary of the college and therefore as surplus is gift aided over to the college no Corporation Tax is payable.

Q. Would the recent currency fluctuations have an impact on items that were purchased in US dollars?

A. There would be increases in the cost of IT hardware and other specialist equipment

Q. Was a fuel escalator included in the bus contracts or was it fixed price?

A. It was a fixed price contract

7. 2022 / 2023 Enrolments Update (Against Funding & Growth Targets)

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

- The 16-19 allocation for 2022/23 was for a total of 3,157 students, and the College had a curriculum planning target of 3,364 students
- 16-19 student numbers were currently 260 above ESFA contract with close monitoring of student attendance ongoing to track non-attendance and pre-census withdrawals which would still impact on the enrolment position
- 1,836 new students had been recruited to the College with 1,581 progressing internally
- Some notable courses with increased volumes included Electrical, Construction & Multi-Skills, Business, IT, Games Development, Health & Social Care, Animal Management and Equine Care
- Due to the national issue with the T-Level grading system in 2021/22, some of the planned T-Level courses had been closed for year 1 cohort and learners enrolled on BTEC Diplomas instead
- This had affected year 1 groups in Digital Support, Health and Science where all students had been signposted to the appropriate Level 3 BTEC Diploma
- A minimum of 7 students were required for the T level to be viable
- The mainstream element of the Adult Education Budget had a learner recruitment target of 1,815 and had so far enrolled 1,447 students
- College would continue to recruit new starts throughout the year including ESOL, English & Maths, Digital courses, Subcontracting partners and Adult-Part-Time-Courses
- The College's largest sub-contract partner was Rochdale Borough Council which accounted for about 68% of total sub-contracted provision
- Current HE recruitment was at 123, against a target of 152, but enrolment was ongoing with the FD Sport cohort still to enrol

Governor Questions

Q. Would 7 students not be considered a low number to run a T Level course?

A. A typical course would have 15 to 16 students, but the College received an additional £1,000 per learner for T Levels

Q. Had student retention been consistent over the last few years and were there any patterns?

A. The retention rate for last year was 94%. College typically lost quite a few

students in Term 1 but the situation remained fairly stable after that

Q. How did this compare to other Colleges?

A. It was about average

8. HR Report

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

- 89% of end of year performance reviews had been completed to date
- Personal improvement plans had been used 9 times in the past year, and there were 3 plans currently in place
- The training and admin week for all staff would be held over two weeks this academic year
- All staff had been required to complete the online Radicalisation and Extremism training provided by Virtual College since returning from the summer break
- There were plans to roll out a new eLearning package on the College's Professional Guidelines for Staff due to the increases seen over the past year in allegations of breaches of the guidelines
- A "knowledge check" was also due to launch for the latest changes to Keeping Children Safe in Education
- The annual Employee Survey had been completed and the wider management team would meet to discuss the feedback together with the outcomes of the culture audit
- A full report would be provided for the next meeting
- Workload and pay were key issues emerging from the staff survey and the culture audit seemed to reflect the staff survey results
- The gender profile of the workforce remained similar with more female employees and managers than males
- The absence rate had increased slightly in comparison to last year but was still good in relation to the sector average
- The College's in-house occupational health advisor had left and it had been difficult to recruit to the post

RESOLVED:

That the report be received and noted

8.1 Pay Review 2022/23

Discussed under Reserved Business.

9. Estates Strategy Update

The Committee was informed that:

- The Estates Strategy has been updated to reflect significant changes within the last 2-year period and the College's future ambitions and plans
- This revised version of the strategy also reflected key changes to both learner numbers and changes to curriculum need
- The revised strategy provided current and future ambitions to September 2027 and a platform for submitting future capital bids during the next 5 years

Governor Questions

Q. How much cash would need to be generated in order to fund the planned capital investment?

A. It was approximately £2.6 million per year but College was hoping to receive further capital grants and other third-party support.

RESOLVED:

The Committee endorsed the updated the Estates strategy for recommendation to the Corporation Board

10. Sub-Contracting Fees Policy

Members were informed that minor changes had been made to the policy.

RESOLVED:

The Committee reviewed and approved the policy

11. Capital Projects & Contracts Update

The following update was provided to the Committee:

- T level Science Project – this was now fully operational with state-of-the-art labs
- Rochdale B block development – the project was now out to tender and there was at least one interested party. Tenders were due by the end of September. All the evaluation of the tenders would be carried out by the DfE who had visited the College today
- TEC Centre Annex - this was progressing well and following building control approval on 21 September, sectional completion of the Annex extensions had been given but the College Refectory extension had been delayed to Christmas due to diversion of services at the start of the project

RESOLVED:

The Committee:

- Approved the awarding of the PPM contract to BAM Facilities Management Ltd as they had been identified as the most economically advantageous tenderer using the published award criterion
- Noted the update on current major capital projects
- Approved the submission of a capital bid to Salix for Energy efficiency and bids to ESFA for Post 16 capacity funding for Animal Management Smallbridge project and Refectory remodelling at Rochdale campus

12. Health & Safety Annual Report 2021/2022

The Executive Director of Finance and Estates reported that:

- All key health & Safety risks had been effectively managed during the year
- Health & Safety training had been carried out for both First Aid and Fire Marshal training
- Fire drills and testing had been carried out within the required parameters

- The level of accidents compared to the previous year had increased to a total of 44 (20/21: total of 14)
- During 2020/21, the College had been closed for a period of time due to Covid and lower level accidents were now reported to ensure trends/near misses were reviewed by management
- Mechanical & Electrical statutory compliance was in place by end August 2022
- There was one outstanding public liability claim and one property claim against malicious damage to a photocopier

Governor Questions

Q. Which incidents had occurred where no reasonable practical pre-cautions were available?

A. An example of this was in animal management where the animal may bite unexpectedly

Q. One of the accidents in the report had been caused by inadequate supervision; had this now been rectified and appropriate measures put in place?

A. It was confirmed that it will have been reviewed

A Governor suggested that it would be useful to provide some further narrative in future reports in relation the actions that had been taken when an unexpected accident had occurred and whether the issue had been resolved.

RESOLVED:

That the Health & Safety report be received and noted

ACTION:

Director of Finance & Estates

13. *Key Performance Indicators Update

An update on the key performance indicators had been provided in the management accounts and HR report.

14. Date and Time of Next Meeting

Thursday 24th November at 4.30pm

*Standing Item

Chair's Signature: Date:
