



HOPWOOD HALL COLLEGE

EMPLOYMENT & FINANCE COMMITTEE

Minutes of the Meeting Held on 24th November 2022

Governors Present:

Sarfraz Akram	Independent Member & Committee Chair
Paul Dixon	Independent Member
Paul Bevan	Co-opted Member
Julia Heap	Principal & Chief Executive

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:	6.20pm
Attendance:	57%
Quorum	3

1. Apologies for Absence

Apologies had been received from Martin Salins, Gary Graham and Julie Burns.

2. Declarations of Interest

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

The Executive Director of Finance & Estates declared an interest in part of Item 11, Tenet Procurement contract.

3. Approval of the Minutes –29th September 2022

Agreed that: the minutes of the meeting held on 29th September 2022 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 confirmed that there were no matters arising from the minutes.

5. 2021/22 Audit Management Letter & Regularity Audit Opinion

The Executive Director of Finance & Estates reported that:

- Following the external audit, Wylie & Bisset were expecting to issue an unqualified audit opinion for the College and Quest Pennine Ltd
- There were no concerns to report and College was a “Going Concern”
- Increased income from the Sports arena had meant that Quest Pennine had ended the year in a strong position

In response to a question regarding a disclosure for the pension asset, the Executive Director of Finance & Estates advised the actuarial net gain had been reported in the accounts but FRS102 was never included as part of the budget calculations.

6. Draft Report & Financial Statements 2021/22 (incorporating Quest Pennine) Ltd

The Executive Director of Finance & Estates presented the Financial Statements for the year ended 2021/2022 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. When was the external audit contract due to be re-retendered?

A. There was one more year left and College would be going out to tender for the 2023/24 financial year

Q. Were there any particular firms that College had considered approaching?

A. There had not been much interest when the contract had been re-tendered previously, and this may be the case this time round

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 2022 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 2021/22

RESOLVED:

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

8. HR Report

The HR Director presented the report, and the following points were noted:

- 93% of performance appraisal reviews had been completed by managers, with incomplete reviews currently being chased
- The Learning & Development group had met and agreed the following development priorities for 2022/23; Digital Training, Ofsted Preparation, Exam Preparation, T Levels and Leadership and Management
- The Health & Wealth Being group had also met, and considered the feedback from the 2022 Employee Survey and created an action plan for 2022-23
- Wider management team had met on 18th November to discuss the feedback from the annual employee survey together with the outcomes of the culture audit
- The results from the employee survey were less positive than last year and 2020, but were still good
- The biggest decrease in positive responses was to the question about pay and benefits at 63% positive in comparison to 77% in 2021
- Results from the culture audit were similar to the employee survey feedback
- A new format for Employee Voice had been launched, with representatives from each team attending and providing feedback
- The 2022/23 pay award had been agreed with UCU for Academic staff with 98% of members voting to accept the offer
- EDI data had not changed since the last report, but there had been an increase in the number of disabled employees from this point last year

Governor Questions

Q. Were all staff now working on site?

A. The majority of staff were but the Finance and MIS teams were hybrid working, and College encouraged this where feasible

9. 2022/ 2022 Enrolments - Confirmation of Final Numbers (Against Funding & Growth targets)

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

- The 16-19 allocation for 2022/23 was for a total of 3,157 students with a curriculum planning target of 3,364 students
- 16-19 student numbers were currently 170 above ESFA contract and 37 below the curriculum planning target
- Notable courses with increased volumes on last year included Electrical, Construction & Multi-Skills, Business, IT, Games Development, Health & Social Care, Animal Management and Equine Care
- The mainstream element of the Adult Education Budget delivery had a learner recruitment target of 2,700 for both full-time and part-time learners and had so far enrolled 1,911 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 learner profile may change next year due to the introduction of more higher-level skills courses
- H.E. had a plan to recruit 152 students onto Foundation Degree: Higher National Degree (HND) and Higher National Certificate (HNC)
- Actual recruitment was at 127 which was below target but higher than last year
- Apprenticeship recruitment was strong and on-profile to reach target
- Projections indicated that 600 apprentices would be in-learning by end of term 1
- The funding profile included a strong carry-in element and was forecast to be on target
- College seemed to have bucked the trend on Apprenticeships in comparison to the national data
- There had been sustained growth in 16-19 numbers, with low NEET rates and high participation in the Borough

Governor Questions

Q. Was College increasing numbers at the expense of the Sixth Form College?

A. The Sixth Form College had also experienced a growth in numbers. Participation rates in the Borough were high and there had been an increase in the demographics for the 16-18 population

10. Management Accounts – 31 October 2022

The Executive Director Finance & Estates presented the management accounts for the month ended 31 October 2022 and reported that:

- The Income and Expenditure Account was showing an operating YTD Surplus (before FRS102) of £474k for the 3-month period, compared to a budgeted surplus of £31k, a positive variance of £443k
- The full year forecast was showing a net surplus of £274k compared to a breakeven budget, a favourable variance of £274k
- The revised forecast position reflected a total increase to income coupled with an overall reduction in forecasted pay costs of £132k
- Income from the Bistro had increased as learners were choosing to stay on campus at lunchtimes
- ESFA had confirmed the College's Financial Health rating as Outstanding
- Cash held in balances was reducing as the Tec Centre project neared completion

RESOLVED:

The Committee:

- Reviewed and accepted the October Management Accounts and Commentary
- Noted the revisions to the Capital Budget for 2022/23 of £11.39m (originally £9.972m)
- Approved the variation to the scale of charges for the Riverside Salon to reflect support for cost of living for students by offering free wash & cuts and mini manicures and free cut & blow dries in care homes
- Approved that the scale of charges for food and drink in the bistros was not increased during 2022/23 despite cost price increases averaging at 33% compared to last year
- Approved the proposal for College to keep the pricing for Rochdale Hornets at

11. Capital Projects & Contracts Update

The following update was provided to the Committee:

Contracts to be tendered

- No new contracts above £250k had been awarded since the last committee meeting
- The following contracts were due to be tendered shortly:
 - IT Infrastructure (New Supplier), Contract Value: TBC (circa £2.5million)
 - Agency Staffing (Reed), Contract Value: Circa £1,000,000
 - Procurement Services - proposed renewal of Tenet contract at £51k per annum for 3 years fixed price
- It was proposed that the FE procurement services contract was awarded to Tenet as they always aimed to make savings for the College that were above the cost of the contract
- In the last contract period, savings of £364,533 had been achieved by Tenet

Governor Questions

Q. Did College have its own IT servers?

A. It did for key business systems but Office 365 was utilised as the Cloud based system. College was in the process of installing more up to date equipment

Q. Had there been any issues with cyber security this year?

A. There had been some issues with the firewall earlier in the year but this had now been upgraded

Capital Projects Update

- The T level Science Project was fully operational with state-of-the-art labs
- Rochdale B block development – College was now working in partnership with DfE, DfE Technical Advisors and Wates Construction to complete an initial design of the new B Block
- Following further discussions, financial support from the Council for the HE element was still being considered by Cabinet members
- Until this was fully approved, no financial support had been included in any cashflow forecasts at this time
- The TEC Centre Annex was progressing well and costs were still in line with the budget approved by Corporation

Update on Capital Funding Bids (Previously approved for submission)

- Two Post 16 capital bids had been submitted, for the Animal management development at Smallbridge and the Salix funding bid
- College was proposing that the Rochdale bistro be remodeled to extend into the former restaurant and flexible learning space as the current facilities were inadequate and needed to be developed
- The Post-16 outcome would not be advised until March 2023, and management was recommending that the Rochdale Bistro project continued to be developed due to the timing of the project delivery and to avoid conflict with the start on site of the DfE led B block

Planning Matters Update

- Following guidance from Rochdale Council, and as part of the licensing of the Smallbridge animals, College was requested to submit a planning application for the change of use of the land
- Unfortunately, it was not fully understood at the time of submission that both the licence and planning permission had to be submitted together
- There had been some media coverage relating to this, and the media had rebadged it as planning permission for a Zoo licence
- The Hopwood Foundation had also put a planning application in for the change of use of the hall and to a right to use land for purposes of parking
- At the time of the planning meeting, the College was not fully aware of the implications of the application as it was over the summer, and therefore did not place an objection
- Since the event, College management has sought legal advice in relation to the right to use land
- The legal advice had been that the Local Authority would want such an arrangement to be in place if the development was to go ahead
- It did not mean that the College had to agree to such an arrangement

Governor Questions

Q. Was the planning department aware that the land was under the ownership of the College?

A. It was presumed that they were aware due previous discussions about the old Hall

Governors discussed the application from the Hopwood Foundation and agreed that it would be useful for them to see the planning permission and conditions of approval.

ACTION:

Principal to circulate

Alkrington Building

- Under the terms of the lease with DfE to remain in the temporary modular buildings, College needed to state its intention to remain and approach Rochdale planning department in January 2023 and advise DfE
- Management wanted to get agreement to go ahead and submit a planning application to retain temporary buildings
- This would give the College a future development option on this land given that the ground works and services had already been done
- If planning permission was not sought, College would be forced to carry out the reinstatement of the land to green space as per the current planning permissions previously granted to DfE on behalf of the Edgar Wood Academy

RESOLVED:

The Committee:

- Approved the awarding of the procurement services contract for the College to Tenet Services

- Noted the update on current major capital projects & funding bids submitted
- Recommended for approval to the Corporation that College continued to work up the Rochdale Bistro project to a more detailed design stage
- Recommended for approval the submission of a planning application to retain a temporary structure on land opposite the 3G pitches (Alkington Building)

12. Financial Regulations Review

A summary of the key changes being proposed was provided to the Committee.

A Governor suggested that College may want to consider using non-gender specific pronouns in policy documents.

RESOLVED:

The Committee approved the updates to the Financial Regulations

ACTION:

Director of Finance & Estates to update Financial Regulations to take account of gender pronouns

13. *Key Performance Indicators Update

It was confirmed that all financial performance indicators were being met.

14. Date and Time of Next Meeting

Wednesday 8th March 2023 at 4.30pm

*Standing Item