



HOPWOOD HALL COLLEGE OF FURTHER EDUCATION

Minutes of the Employment & Finance Committee Meeting Held on 8th March 2023

Governors Present:

Sarfaraz Akram	Independent Member & Committee Chair
Paul Dixon	Independent Member
Julia Heap	Principal & Chief Executive
Julie Burns	Staff Governor
Gary Graham	Co-opted Member

In Attendance:

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

Meeting Commenced:	4.30pm
Meeting Ended:	5.45pm
Attendance:	71%
Quorum	3

1. Apologies for Absence

Apologies were received and accepted from Paul Bevan and Martin Salins.

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 – 24th November 2022

Agreed that: the minutes of the meeting held on 24th November are approved as a correct record and authorised for publication

4. Matters Arising from the Minutes

There were no matters arising from the meeting.

5. Management Accounts – 31 January 2023 & Full Year Forecast

The Executive Director Finance & Estates presented the management accounts for the month ended 31 January 2023 and it was noted that:

- The income and expenditure account was showing an operating YTD surplus (before FRS102 & capital grant receipts) of £352k for the 6-month period, compared to a Budgeted surplus of £17k (a positive variance of £335k)
- The full year forecast was showing a net surplus of £515k compared to a break-even budget
- The revised forecast position reflected a total increase to income of £660k which included additional in year funding from GMCA, increases to the Learner support Fund grant and increases to high needs income
- The College remained in 'Outstanding' financial health and complied with all bank loan covenants for the year
- Cash reserves and liquidity were both strong
- Cash would however reduce during the year to reflect the implementation of the Estate strategy and in particular as the Advanced Technology Centre was due to complete by end of May 2023

RESOLVED:

Governors received and accepted the January 2023 management accounts and commentary

6. 2023 / 24 Emerging Budget Position

The Executive Director of Finance & Estates presented the emerging budget position and informed members that:

- The first draft budget for 2023/24 had been updated for all known changes to income and expenditure
- It was currently showing a deficit position of £554k with staff costs representing 65.09% of income and an EBITDA of 9.3%
- The next phase of budget planning was to review all cost centre budgets and ensure staffing requirements were aligned to the curriculum plan in order to arrive at a finalised budget for consideration in June
- Income during the current year had increased by £969k, largely due to a 2.2% funding increase, growth of 16-19 learner numbers, an increase in programme weightings and additional High Needs funding
- However, there were also large increases in expected in pay costs(+£845k) partly as a result of the regrading of the teaching staff pay scales and incremental increases not originally budgeted for in 2022/23 and 2023/24
- A 2% pay award had been budgeted for but the expected award from the Unions was likely to be much higher
- Pension contributions for the Local Government Pension Scheme would remain the same for the next 3 years and this was positive news
- Non-pay costs had also seen a large increase compared to the original budget set for 2023/24(+£1.128m) due to inflation
- Examination fees were expected to increase next year and a further £155k had been included in the current draft budget
- There was still some uncertainty around utility costs which would be retendered during May/June for the following year
- Rents & Rates have been increased by £94k to allow for the renting of carparking during the construction phase of the Rochdale B Block assuming 211 paid places off site

- All options were currently being explored to manage the efficiency savings required to achieve a break-even budget
- There was also a lot of uncertainty concerning the impact of the ONS re-classification of Colleges
- Although College was now part of the public sector, it was still subject to the insolvency regime

A Governor stated that market rates for energy had reduced significantly during the last 3 months, and College needed to consider when would be the optimum time to enter into a fixed price contract.

Governor Questions

Q. Had any consideration been given to College moving to a Good financial health rating next year as this would help to ease some of the budget pressures?

A. Maintaining Outstanding financial health had enabled the College to invest in the estate and provide the best learning environment for students. Dropping down to a Good rating would need to be agreed by the Board and this could be considered before the final budget was approved in June

Governors agreed that a balance needed to be struck to ensure that the needs of both current and future students were being met and resources were utilised in a manner that benefitted both sets of students.

RESOLVED:

Governors approved the budget planning assumptions and the setting of a break-even budget for 2023/24 (before FRS102 pension adjustments & revaluation release)

7. HR Report

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

- There were currently nine Performance Improvement Plans in place for academic staff.
- The staff conference on 3rd January 2023 was themed around supporting students through exams
- Good feedback had been received from the staff who had taken part
- A further cohort of managers were due to start the Leading from the Middle development programme delivered by FE Associates in collaboration with Wigan and Leigh College
- The Wider Management Team had met on 18th November to discuss the feedback from the 2022 Employee Survey and the Culture Audit
- Actions to address from the staff feedback included:
 - New format and time of Employee Voice activity
 - Regular "You said, we did" communication
 - Include focus groups alongside the employee survey
 - Check metrics e.g. Newslink reads to identify the preferred method of internal communication
 - Review timing of wellbeing activities so staff can attend and benefit.
 - Review roles and work-life balance
- As part of the 2022/23 pay claim, UCU had requested a review of workload
- Discussions with UCU were ongoing and a follow up meeting was planned for

9th March to discuss these matters further

7.1 Employee Survey Report

- A total of 468 employees had completed the survey equating to 86% of employees
- This response rate was an improvement on the 2021 response rate of 79%
- The 2021 survey had seen a reduction in positive responses and this trend had continued in the 2022 survey
- The biggest decrease in positive responses was in relation to pay and benefits at 63% positive in comparison to 77% in 2021 and with regard to health, safety and wellbeing dropping from 83% positive in 2021 to 74% in 2022
- It was important to note that 90% of employees had responded positively to understanding the Strategic Intentions of the College and how their work contributed to the achievement of them
- 95% of staff had responded positively to being committed to the College and their work

7.2 Equality & Diversity Report

A new EDI Manager had taken up the role and published the 2021/22 Annual EDI report in line with statutory requirements. An action plan had also been agreed to implement the EDI objectives.

RESOLVED:

The Committee agreed that the EDI report was recommended to the Board for endorsement

8. Mental Health & Well Being Strategy

It was noted that:

- The Mental Health and Wellbeing Strategy had been updated since the last report to the Committee
- The strategy was based on a graduated approach and the action plan for delivery was part of the overall College health and wellbeing action plan
- A staff mental health survey was currently being undertaken

RESOLVED:

The Committee agreed that the Mental health Strategy was recommended to the Board for approval

9. IT Strategy

The meeting was informed that:

- The overall aims of the IT strategy were to enhance the student experience, IT platforms, IT Infrastructure and also IT Support
- The proposal was to enter into a strategic partnership with an external partner in order to access industry expertise across a wide range of technical elements
- This approach would also ensure that support was in place for critical business systems, thus improving business continuity and disaster recovery planning
- In order to achieve this, a tender process would be undertaken to select a strategic partner

- The aim was to consolidate the impact of the investment over 5 years to gain support, industry best practice guidance and expert advice for continuous service improvement over the lifetime of the strategy

RESOLVED:

The Committee confirmed that it was satisfied with the approach being proposed by the College

10. Capital Projects & Contracts Update

The following update was provided by the Executive Director of Finance & Estates:

Contracts to be Tendered

The following contracts were due to be tendered:

- IT Infrastructure (circa £2.5million value)- this was an indicative spend over the life of the contract, and did not lock the College into spending this amount of capital over the life of the contract.
- Agency Staffing (Reed) – contract value £1million
- Internal & External Audit (total contract value £120k) – College was proposing that the contract be extended for a further year given the current ONS re-classification situation. Both suppliers were in agreement that this was a sensible approach and would be willing extend for a further 12-month period.
- Bank Tender – (contract value to be confirmed) - College had identified as good practice, the need to re procure its bank services on a five-year cycle.

Capital Funding Bids

- Two Post 16 capital bids Wave 5 T level Capital bids- – College was still awaiting confirmation whether the bids had been successful or not
- Salix funding bid - as part of the original bid included the replacement of boilers less than 10 years old, the overall scheme cost had reduced down from £7.5m to £4.1m, with a reduced grant funding of £2.9m and a College contribution of £1.2m over 3 years. College had been advised that it was in the pipeline when the next amount of funding was released

Rochdale B Block Development

- The College continued to work in partnership with DfE, DfE Technical Advisors and Waters Construction to complete an initial design of the new B Block
- DfE had requested an update on costs from Wates Construction and were advised that they were approximately £10m overbudget
- DfE were challenging the large cost variances with Wates and had requested further details of the cost breakdown
- DfE had also requested value engineering options including a review of sustainability options and ventilation systems
- The College had been requested to consider allocating any additional capital grant from DfE to this project to assist with the potential funding gap
- Rochdale Council had approved the £4.974m grant funding for 2024/25 towards the costs of the HE element of the building

TEC Centre Annex

- Sectional completion of the Annex extensions had been given to the College
- The expected completion date was the end of May 2023
- A change had to be made to the Fire Alarm system so that it was brought in line with the rest of the campus
- The inclusion of the LEV system had been omitted from the original plans
- This had resulted in a budget increase of £165k which was being funded from existing capital underspends and the use of the Energy Efficiency Grant received in 2022/23
- College had been advised that the dedicated extract system for the gas testing bays had not included in the projected figures
- This installation was a major change to the project brief and could not be accommodated within the current approved budget

RESOLVED:

The Committee:

- Noted the update on current major capital projects & funding bids submitted since the last meeting
- Noted that an additional £165k had been vired from the Energy Efficiency Grant to fund the increased budget to complete the TEC centre development
- Recommended for approval to the Board that the essential work for the gas assessment bays in the TEC Centre annex bridge was funded from Energy Efficiency Grant or any unspent carry forward capital from 21/22
- Recommended for approval to the Board the re-engagement of the current internal and external auditors

11. ONS Re-Classification of Colleges

The Clerk advised that:

- In November 2022, the statutory FE sector in England was reclassified into the public sector
- Guidance was available from the DfE to aid Colleges with the transition to the public sector and the new additional requirements
- DfE had published "bite-size guides" to aid colleges in this transition
- College staff were strongly encouraged to read this guidance and must take any actions necessary resulting from the new arrangements
- SLT / Governors needed to be mindful of the timescales if approval for any decisions was required from the DfE

RESOLVED:

The Committee noted the guidance available from the DfE


12. *Key Performance Indicators Update

An update on performance indicators had been included within the reports submitted to the Committee.

13. Date and Time of Next Meeting

Wednesday 14th June 2023 at 4.30pm

*Standing Item

Chair's Signature:	
Date:	13/06/23