

CORPORATION BOARD FINANCE & GENERAL PURPOSES COMMITTEE

Minutes of a virtual meeting held on Wednesday 30 June 2021 at 5pm

Present

Jacqui Canton, Principal
Howard Dodd
Nick Handy, Chair
Roger File
Sean Wellington

In attendance

Mark Lay, Finance Director
Olivier Cognard, Vice Principal
Stuart Hay, Head of Finance
Michael Chiyasa, Head of Estates & Capital Development (to end of item 6)
John Revis, Head of Occupational Safety & Health (to end of item 4)
Jenny Lowe, Clerk & Governance Advisor

Governor questions are represented with bullet points, and management responses are italicized.

1. Opening comments, apologies for absence and new declarations of interest

The chair welcomed members to the meeting. The meeting was quorate.

2. Minutes of the meetings

Members approved the public and confidential minutes of 1 March 2021 as accurate and appropriate to sign.

3. Matters arising from the Minutes not covered elsewhere on the agenda, and Action tracker

No additional matters arising were raised. The paper was noted.

4. Occupational Health & Safety: Key issues and concerns

The Head of Occupational Health & Safety introduced his report for the period up to 24 May.

Over the spring term and into the summer term to the 24 May there had been no RIDDOR reports. Since the report was written there have been 2 accidents, neither of which was reportable.

Another 8 accidents and incidents had been reported since writing the report. Some trend analysis has been undertaken. Incidents tend to be slight cuts in construction and hair dressing, and animal nips and bites, and in one case a horse standing on a foot. No serious trends could be identified.

There had been an incident with a student's brother and father coming onto the site at Common Leys to threaten a student. Staff on site dealt very professionally with the matter and police arrived promptly to deal with the incident.

A fire safety assessment had taken place at Bicester which found that there is adequate provision in place. A number of minor recommendations were made and these are being implemented.

Defibrillators have been purchased and installed at Abingdon and Common Leys campuses. They have been ordered for Bicester, Witney and the Union which means that there will be one on every site for September.

COVID positive cases dropped after lockdown with a slight resurgence about 3 weeks ago up to 5 cases. The College is monitoring all visitors and records of all who came on site.

- Is the Evac chair at Witney portable between buildings? *Every building with a flight of stairs has an evac chair.*
- On lone working, what measures do we have in place? *We have broadly identified three different levels of risk. Lower level such as working in the office in non-core hours where we ask people to work in the same building as others who are working late. Higher level would be working alone at the farm where we have walkie talkies. The highest risk would be where we have people carrying out visits at premises. To mitigate the risk we have a checking in system – managers know when members of their team are expected to attend/leave.*
- Is there anything we can do to encourage reporting of near misses? *During a recent TIAA audit they focused on accident/near miss reporting. They made some recommendations including raising awareness about near misses. We are writing new procedures based on the recommendations.*

Governors thanked the Head of OSH for the report.

5. HR: Key issues and concerns

An outline of key issues in the report was given by the HR Manager and questions were invited.

- What is LICT? *Land based industries and construction trades*
- The report of a member of staff bringing college into disrepute – what does this cover? *This category covers cases where an employer or another stakeholder has seen something on social media which is inappropriate or raises concern.*
- Looking at the turnover stats, has there been a big increase in SEND staff turnover? *No this is due to recategorising – these figures would have been in Access to Learning which shows a corresponding decrease this year.*
- There was a breach of procedure for determining pay – what does this mean? *This involved a member of staff quoting someone else's salary during recruitment.*
- Equality Objectives – how long are you giving yourself to achieve these targets? *3 year target on most of them but will have action plans – and will review earlier if the target is reached.*
- With regard to Strand 2, why are we focusing on particular protected characteristics (not all of the characteristics)? *These are being prioritised based on areas of need within college.*
- Student attainment and retention – are there many programmes where students are selected? Do we need to look at whether there are any imbalances through recruitment? *We do have that data – there is a fair access panel who review every time a place is declined. This is something we will look into.*

Governors noted the report and recommended the new Equality Objectives to the Board for approval.

Action	By Whom	Deadline
Add Equality Objectives to the Board agenda for approval	Clerk	July Board Meeting

6.1 Estates & Capital Development Update

The Head of Estates and Capital Development introduced his report.

There is a pre meeting with the GCSC contractor next week

The T-level project contractor is starting on Monday and they are due to finish by 27/28 August

Utilities consumption – difficult to interpret as so many have been working from home.

- Energy usage graphs are useful, why was gas consumption higher in March and April? *We haven't drilled down but we have got more buildings on site compared to previous years.*
- How bad is the roof in Witney at Buttercross? *We have planning permission to replace it and we have made a bid for funding. It has trees growing through it so the entire first floor is currently moth balled.*

Governors considered a confidential report.

The Head of Estates and Capital Projects was thanked for his report.

6.3 Capital Projects Pipeline

The Principal introduced the report, updating Governors on progress regarding projects since the last meeting.

- Could we have more detail on the large ticket items, such as a copy of the Common Leys Master plan? *Yes although this is in need of updating.*
- How do you allocate capital projects between curriculum areas and campuses? *We are working backwards – because we have had to for the LEP as funding became available. But bids are based on our knowledge of what is needed. When we have the strategic plan we will review and revise bids. Witney will be constrained by the site.*
- Shopping centre across the road from our site – is there an opportunity to repurpose any of the empty units? *We can look into that. We know that we will outgrow the Witney campus over the next few years.*
- Capacity at witney – where are pressures going to come from? *Primarily demographic growth. Witney has different buildings which are not easily repurposed.*
- Schedule of room occupancy rates – our occupancy rate was 11% (low) could we look at using what we've got more efficiently before building more? *Yes, one of our problems is that we can't book a classroom but they aren't actually being used. We want them to be full – but hours are fixed by transport for students which reduces flexibility.*
- Major capital, there are dates against projects – is that driving what you think the college needs will be or prioritised for giving best return for investment? *All of those, and some projects have timescales attached to the bid.*
- OxLEP are providing funding for all of our big initiatives. It is important to maintain our good relationships with the LEP.

Governors noted the report.

7. Finance Key Issues and Concerns

Looking at graphs and the adjusted current ratio we are below sector. Cash holdings are below where we'd like them to be. EBITDA is in line with sector. Staff costs higher, borrowings are coming down. Debt charge is in line with the rest of the sector.

- The forecast is less optimistic – but is the gap between forecast and actual growing? *No, during 19/20, the 300k loss was due to Covid. Mid year we were forecasting on budget, without Covid, we would have been on budget at the end of the year.*
- Charts suggest that we are running more financial risk than average. Is that what this shows? *No, we have been in a very stable environment for 5/6 years. What you can't*

see from this is that some colleges have never borrowed. We will look at putting together some revised data, taking out the top 10 and bottom 10 and see where we sit within a cleaned up data set.

- After 2 years of being very stable and cash generative we have then had skinny margins. We are going to have to make hard decisions about what we won't do.
- I support that, we need to look at our costs base so that you have more room for manoeuvre. The costs base is always driven by people. Are we paying too much overall on salaries but not paying individuals enough?
- Do you think the past 18 months will have an impact on cost per head of delivery? *Yes, but it is too soon to quantify. We will be looking at some blended delivery models. HE students were keen to include blended learning.*
- The trend around the EBITDA is stark– should this be a focus at the strategy day? Can we run things tighter in order to have some headroom to spend elsewhere? *The challenge is that it can't be much tighter.*
- We have pretty much tracked the sector for several years, but this year there is a marked divergence in all of the graphs. This would be good to show at strategy day.

7.3 Management Accounts

Governors noted the management accounts to 30 April 2021 which had been presented at the previous budget drop in session.

The Management Accounts were recommended to the Board.

7.4 Update on 20/21 Budget

The Finance Director introduced the report and noted that the College is on track to achieve the budgeted surplus set for 2020-21.

Income is tracking £100k higher due to OCC paying more for High Needs Funding Payroll costs.

Cash holdings at the year end are forecast to be significantly above budget. The improved cash balance leads to an improved forecast Financial Health Grade of "Good", and bank covenants will continue to be met.

The updated forecast was recommended to the Board.

7.5 Barclays

The Finance Director introduced the report and documents which required signature by governors on behalf of the College.

The Finance Director reported that Barclays have issued the College with a waiver and variation letter for each of the loans in place with them. The waiver is to remove any rights Barclays has to act on the covenant breach caused by the accounts to 31 July 2020. The variation is to remove any liabilities relating to the defined benefit pension scheme from the asset calculation.

The Committee reviewed the documentation and recommended to the Board that the relevant resolutions are passed and that the waiver and variation letters are signed.

The Finance Director noted that the College has a £500k overdraft facility in place with Barclays that is renewed annually. Barclays hold a legal charge as security over the Witney campus and charge £5k per annum for the facility.

The Committee reviewed the documentation and recommended that the overdraft facility is retained for 2021/22. The Committee recommended that the relevant resolution is passed by the Board and that the relevant paperwork is signed.

The Finance Director reported that LIBOR is no longer available as a benchmark from the end of 2021. Currently new legislation is being proposed to replace the calculation methodology, however this is not yet ratified. Therefore Barclays are proposing interest charges from the start of 2022 to be calculated by reference to the Bank of England Rate.

The Committee reviewed the documentation and recommended that the relevant resolutions are passed and that the Letters of Variation are signed.

7.6 Budget 21/22

The Finance Director introduced the draft budget and noted the main points.

- We have discussed this and the specific risks at our previous meetings. Opportunities for things to get better.
- Prefer a higher operating surplus. Since then approved GCSC. Bicester in ramp up – delayed income. Substantial investment in Abingdon. Appropriate to have a higher budgeted operating surplus. Like we did it last year. Want more margin than this budget represents. *On non pay budget lines we release 70% where we can, some areas need to pay for the whole year (fixed costs) spend most teaching costs in the first part of the year. We do this because we need to understand the impact of enrolments on full year forecast before releasing the budget in full.*
- Really helpful discussion – income side looks prudent, we know that the biggest line is known. Costs looked ok – based on previous conversation we know there is some elasticity in non pay if we need it.
- Could we set up a budget for £150k surplus? This would a budget that gives you an easier time through the year. *We are holding back a proportion of the non-pay costs and postponing the staff pay award.*
- Comfortable that we are noting down in the budget that we are going to hold back a proportion of non-pay costs. We are also recommending deferring a decision regarding Pay until December.

The committee recommended the budget to the Board.

7.8 ESFA CFFR

The Finance Director noted that the ESFA 3 year financial plan is now entitled the College Financial Forecast Return (CFFR). In essence this is the same information as before but in a slightly less complicated excel spreadsheet model.

This year's submission will include the College's latest full year forecast for 2020/21, the budget for 2021/22, and a high level forecast for 2022/23. All 3 years are calendarised in the excel model.

The model has not yet been completed and is due for submission by 31 July 2021. As well as the excel spreadsheet financial model, a commentary outlining the key assumptions is required.

The Committee noted the report and agreed that the CFFR is approved by the Accounting Officer.

Action	By Whom	Deadline
Submit CCFR by 31 July 2021	Finance Director	31 July 2021

8. Policies

The Committee approved the Family Friendly Policy.

The Committee recommended the following policies to the Board for approval:

- Financial Regulations
- Health & Safety Policy

The Committee discussed the Subcontractor Fees and Charging policy and noted that the section on reporting should be amended to remove reference to F&GP Committee. Oversight of subcontracting would remain the responsibility of Audit Committee.

Action	By Whom	Deadline
Publish Family Friendly policy to O365	Clerk	Immediate
Add Financial Regulations, Health & Safety Policy and Subcontractor Fees and Charging Policy (with suggested amendments) to the July Board agenda for approval.	Clerk	July Board meeting

9. Freedom of Information

The report was noted.

10. Any other business

It was agreed that meetings should have a start time of 6pm rather than 5.30pm.


11. Future Business and reflection

Governors agreed that the virtual meeting had gone well and recognised that it should soon be the case that face to face meetings would be allowed.

The proposed business was noted.

The meeting closed at 7.25pm.

Approved for signature (meeting date) ^N HANBY

Signature 

Date 28/3/22

Action Points arising from the F&GP Committee held on 30 June 2021

Item & Title	Action	By whom	deadline
5. HR Report	Add Equality Objectives to the Board agenda for approval	Clerk	July Board Meeting
7.8 ESFA CCFR Report	Submit CCFR by 31 July 2021	Finance Director	31 July 2021
8. Policies	Publish Family Friendly policy to O365	Clerk	Immediate
8. Policies	Add Financial Regulations, Health & Safety Policy and Subcontractor Fees and Charging Policy (with suggested amendments) to the July Board agenda for approval.	Clerk	July Board meeting

