

**CORPORATION BOARD
FINANCE & GENERAL PURPOSES COMMITTEE**

Public Minutes of a virtual meeting held on Thursday 1 October 2020 at 6pm

Present

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

In attendance

Mark Lay, Finance Director
Kelly Haddrell, Head of HR
Michael Chiyasa, Head of Estates & Capital Development
John Revis, Head of H&S
Stuart Hay, Head of Finance
Matt Phelps, Vice Principal, Apprenticeships & Employer Engagement
Olivier Cognard, Vice Principal, Funding, Planning & Systems Improvement
Ruth Reavley, Clerk

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

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

A virtual meeting was held in response to a local upswing in Covid-19 cases and the College practice to work remotely wherever appropriate. The Board was monitoring the impact of virtual meetings on board behaviour. The chair welcomed members. No new declarations of interest were made. Apologies had been accepted from Sean Wellington. Stuart Hay was welcomed. The meeting was quorate.

2. Minutes of the meetings

Members approved the public and confidential minutes of 15 June 2020 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 had been raised prior to the meeting; none were raised at the meeting. The Action tracker was noted. The action arising from 9 March 2020 on utility consumption trend data would be carried forward, as 2019-20 usage was atypical owing to covid-19-related site closures.

Though the MHA MacIntyre Hudson paper on the trading status of miscellaneous income was foremost a paper for the Audit Committee, questions were raised:

- The IT services cost (para 3.8) was large; how was it being handled in the accounts?
The College has billed Abingdon Learning Trust to offset the unexpected set-up costs. Income will be recorded net of costs were the College to submit a Tax Return.

Action	By Whom	Deadline
Carry forward utility consumption trend data discussion with external governor	Clerk, Head of Estates and Capital Development	Appropriate point in 2021

4. Finance headline report

The Finance Director introduced the item. Overall the College made an operating deficit of £284k compared to a forecast of £194k. The variance is explained fully in the paper. The ESFA financial health grade is as expected in the forecast - Requires Improvement, and the amended bank covenants were met. Cash holdings at the end of the year were significantly higher than forecast, however this is largely down to the timing of supplier invoices. The Finance & General Purposes Committee 2020/21

LGPS provision increased in total by £5,845k. An update of the 2020-21 budget shows that overall the College is on track to exceed the budgeted income and surplus for 2020-21.

4.1 Draft Management Accounts, Year to 31 July 2020

The increase in year end deficit from £194k to £284K was noted. Contributory factors as outlined in the paper were noted. The amended Covenant with Barclays Bank, offering the College operational leverage to 600% not 500%, was noted. The negative net assets position, caused largely by the increase in Local Government Pension Scheme provision, was now commonplace in the sector.

- What are the implications of a negative net asset position? *The College has agreed a steady increase in the repayment rate over 2.5 years; it will become progressively more of a burden. Governors should note that the Teachers' Pension Scheme increase (from 21% to 28%) is being funded by the ESFA. Were LGPS increases to be similar, the viability of the FE sector would be in doubt.*
In the commercial world the College would not survive. *Liquidity is calculated prior to LGPS contribution. Stakeholders fully understand. If the College ever had to pay off, it would take 75-100 years.*
So it is not a "real" issue? *The College is not required to pay the value of the liability within the immediate future, as the funding rate is agreed with OCC over the next 2½ years and will make up the deficit over a long period of time. During this time underlying valuation assumptions are highly likely to change which will impact on the deficit.*
- Is the variance in Environmental Services a cause for concern? *The Finance Director explained the background to the allocation of costs.*

Governors noted that the Financial Statements Auditors are on-site at present; the Finance Director does not expect any material changes to the accounts.

4.2 Update on the 2020/21 Budget

Governors discussed the paper.

- What are the main risks? *That another prolonged local lockdown would have impact on part time and apprenticeship recruitment and thus on income. The sector would expect nationally-sourced support were there to be a national lockdown. PPE costs are a high risk cost line. The AoC is pressing for funding support for this extra-ordinary cost.*
- Are apprenticeship numbers robust? *Certainty is given from the proportion of carry-ins from 2019/20. £1.1m of funding is secure against a target of £1.6m. August – October starts will in part fill the £0.5 m income gap. A local or national lockdown would cause difficulties arising from redundancies.*
Is projected capacity in 2020/21 at Bicester Construction Skills Centre affected? *No more than is prevalent across the region. Student number projections for 2020/21 were prudent.*

Capital matters were discussed.

The Finance Director gave an update on the Abingdon Green Construction Skills Centre plan. Uncertainty triggered by outline proposals to move one as yet unidentified Abingdon secondary school out of the town to a peripheral site, with the in-town site being sold for development, were altering the dynamic on the College search for an off-site building plot. An alternative plan to build within the College "envelope" and re-site some parking, was being developed. Expenditure before the end of December 2020 on Heads of Terms was anticipated, but no net outflow of cash was anticipated in 2020/21.

Governors discussed the role of the Board and Committee in approving expenditure for this capital development project. As the project was not wholly within the approved capital budget for 2020/21 (though the excess would not breach the current budget given spend to date), the Principal advised that, as with previous projects of the same nature, “at risk” expenditure would be approved by the Board, recommended by F&GP, in case the College is unable to recoup those costs because the project stalls.

- Were the “at risk” expenditure not to be recouped, the College would make savings, or propose an expanded Budget to the Board? *Yes, that was correct. This expenditure included pre-planning advice costs.*
- How would re-provision of car parking be managed? *It was included in the high level plan. Planning permission was provided for in the timeline. At present Invitation to Tender would be issued in March/April, Works would commence in May-June, with completion scheduled for December 2021.*

The Committee recommended the proposed “at risk” expenditure of £50,000, accommodated within the 2020/21 Budget, to the Board.

The Committee noted the Finance Headline Report and associated papers, and recommended the Management Accounts and Budget update to the Board for review.

Action	By Whom	Deadline
Include recommendation to approve Abingdon Construction Skills Centre “at risk” expenditure in Board paper	Finance Director	For 8 October circulation of papers
Add Management Accounts y/e 31 July 2020 and Budget update to Board agenda	Clerk	For 8 October circulation of papers

5. Estates Headline Report

The Head of Estates and Capital Development introduced the Public matters Headline report. Contractors are making good progress on capital projects. The Planned Preventative Maintenance Programme continues; only essential works were undertaken during the covid-19 lockdown. The College is liaising with its insurers regarding the structural cracks to Early building in Witney, and stormwater damage experienced in Abingdon. Detailed reports were considered.

In discussion:

- What was the College assessment of long-term risk related to storm-water incursion in Abingdon Reception? *The College considered it a 1-in-100-years event. The capacity of box gutters and storm water manholes installed before the area was covered over and closed in was exceeded.*
The frequency of such storms was increasing. Longer-standing rainwater goods often have insufficient capacity. This was a matter to monitor.
- The Estates Team’s performance in relation to the Service Level Agreements, presented in the Annual report on ongoing estates maintenance/refurbishment, was creditable, especially given the staffing issues also reported.

The Headline report and supporting papers were noted. A Confidential headline report was discussed; separate minutes were taken.

6. Construction Skills Centre (Bicester) Update

The Principal introduced the report. The project is progressing in line with expectations and in accordance with our plans at this stage. It is due to open to learners in February 2021. In future she would report both on the Bicester and Abingdon Construction Skills Centre Projects.

- What was the situation with car parking? *Work continued. A traffic survey was to be undertaken to address Oxfordshire County Council concerns.*

The Principal would make arrangements for a Health & Safety-safe, socially distanced, site visit for governors in late October/November 2020.

The paper was noted.

Action	By Whom	Deadline
Amend Agenda structure to reflect reporting plans for the Bicester Construction Skills Centre and the Abingdon Green Construction Skills Centre	Clerk	For November meeting.

7. HR Annual Report 2019/20

The Head of HR introduced the Annual Report¹. Two themes were highlighted:

Coronavirus Impact – the HR team have been working with staff and managers on supporting staff wellbeing and providing advice on self-isolation and furlough processes. All furlough claims were submitted on time.

Casework – Performance Management cases increased in 19/20 which is a reflection of the training and support managers are being provided with in order to document problems and have honest conversations about issues. Further training in having difficult conversations is planned for 20/21. Attendance Management cases have decreased which is a mixture of the impact of increased the Bradford Factor trigger and lower sickness absences reported during lockdown whilst staff were either furloughed or working from home.

In discussion:

- Did the team experience many challenges in supporting the resumption of on-campus work for the majority of staff? *Some staff raised concerns. The Principal's all-staff advice was effective in addressing many of them. The College positions on social distancing, team bubbles, business support team room capacity and rotas, and face coverings have been helpful. Once on-site, staff appear largely reassured. The HR Team is now working with the Head of Health & Safety on detailed support for vulnerable staff.*

The Annual report was recommended to the Board.

Action	By Whom	Deadline
Add HR Annual Report to next Board agenda	Clerk	For 8 October circulation of papers

8. Health & Safety Annual Report 2019-20

The Head of Health & Safety introduced the report. Three key issues were highlighted:

- The COVID-19 pandemic resulted in a significant increase in health and safety work. All activities in the college have been risk assessed and regular reviews are being undertaken in partnership with college staff. Working from home risk assessments have been completed by all relevant staff. The Head of Occupational Safety and Health stays up to date with current regulations and guidance.

¹ The table on Workforce Composition on page 2 lacked sector comparators. The most recent data, for 2017/18, is Male 37%, Female 63%, BME 18%, Disability 8%

- Accidents fell in 2019/20 because of the closure of college sites in March. The number of incidents increased, largely because of the rise in mental health issues amongst students. Six RIDDOR reports have been made; none have been followed up for investigation by the Health and Safety Executive.
- The College received a ROSPA Gold award for the third year in a row, in recognition of the high standard of health and safety performance

In discussion:

- Have room capacities been assessed? *Different criteria apply for offices, classrooms and workshops. All College rooms have been capacity assessed using the appropriate criteria; capacity is stated on every door. 2m distancing has been adopted except where PPE-clad staff have to be close to students, for instance in the car mechanic workshop. Compliance is tested with regular SMT and Head of H&S walkrounds, very high levels of compliance are being found, and high levels of staff collaboration are typical across the campuses.*
- What is the College policy on open windows? *Natural ventilation is built into the guidance for staff. Do rooms have different capacities according to whether windows and doors are open or closed? There is specific guidance for FE settings. The College has adopted a cautious 2m social distancing rule. Most full-time students are on-site for roughly 50% of their timetable. In September, roughly 25% of students were on campus; consideration is now being given to increasing that proportion.*

Governors noted that a presentation on Blended Learning would be scheduled for the Curriculum, Quality & Students Committee. Teaching at 2m distance is requiring teachers to develop new practices for feedback and monitoring, to complement those developed for teaching online.

- What is the underlying cause of the increase in Incidents? *This has been primarily driven by the increase in the number of students with physical and mental health issues. The rise in reported incidents was anticipated. Incidents which occurred in online classes were recorded; the incidence rate reflected that teaching continued during lockdown.*

Governors congratulated the Head of H&S on the third ROSPA Gold Award.

The Annual report was recommended to the Board.

Action	By Whom	Deadline
Add H&S Annual Report to next Board agenda	Clerk	For 8 October circulation of papers

9. Policies

An amendment to the information about 19+ student fees was noted. The updated revised Tuition Fees Policy 2021/22 and the refreshed Freedom of Information Policy were recommended to the Board (the former subject to any updates required following Impact Assessment scheduled for 5 October 2020).

Action	By Whom	Deadline
Add 2 policies to the Board agenda	Clerk	For 8 October circulation of papers

10. Freedom of Information Requests

The report was noted. A 2-day overdue response was discussed. The probability of Information Commissioner's Office intervention was slight.

11. Any Other Business

No additional business items had been requested. The Principal put on record her thanks to the Heads of HR, Health & Safety and Estates & Capital Development for their professionalism in handling a phenomenal increase in workload related to Covid-19. This was warmly supported by all governors present.

The Committee Chair widened the vote of thanks to the entire leadership team, voicing the Committee's appreciation of the work which contributed to the College being in a positive situation, with acceptable finances.

The next meeting was scheduled for Monday 23 November at 6pm. A virtual meeting was anticipated.

The meeting closed at 7.35pm

Approved for signature (meeting date)23 November 2022.....

Signature

Date