

Minutes of Finance and General Purposes Committee Meeting

held on Tuesday 23 June 2020

Present Amanda Allen (*Chair*), Helene Jones (*Vice Chair*), David Williams (*Principal*), Peter Coley

In attendance Jacquie Carman (*Director of Finance and Corporate Services*)
Joanne Williams (*Director of Teaching and Learning*)
Jennifer Sunter (*Clerk to the Corporation*)

1 Apologies for Absence

There were none.

2 Declarations of Interest

There were none.

3 Minutes of the Meeting – 12 February 2020

The Minutes of the meeting held 12 February 2020 were approved as a correct record.

Under Matters Arising

From the meeting held 21 November 2019, with regards to the Review of Planning and Investment - Options Strategy / Estates Plan, it was noted that a report would be provided for the Corporation on current capital funding models, following which the Committee would undertake more detailed consideration.

From the meeting held 12 February 2020, with regards to Review of Financial Regulations, the Chair explained that review of the Committee's terms of reference was deferred until members were better positioned to more fully consider arrangements.

4 Items for Discussion and Approval/Recommendation to Corporation

4a Current Financial Update

4ai Management Accounts as at 31 May 2020

Jacquie Carman reported that due to Covid-19, there was variance on College income, and that while there was necessary investment in the College estate and in PPE (Personal Protective Equipment), there were also savings, such as reduced travel costs.

It was noted that the College continued to have strong liquidity and cash days in hand, and remained on target to deliver a robust operating surplus, in accordance with budget.

In response to questions regarding Apprenticeships, Jacquie Carman reported that revenue had changed, with limited new starts since March and some delays in completion. However, the College was relatively positive with regard to some of its Apprentice provision, specifically in areas such as health care, that would continue to be viable.

Members asked about Covid-19 impact on Hair and Beauty, and also on student visits. Jacquie Carman explained that there had consequentially been no revenue from the Hair and Beauty Salons, and that the majority of student visits had been undertaken, with some refunds still to be achieved.

The update on the managements accounts as at 31 May 2020 was received.

4aii Budget Update 2019/2020

Members considered the third review of budget for 2019/2020, which had taken consideration of known factors responding to Covid-19. While the College remained in a stable position, further expenditure on both estate and digital resources would be incurred before 31 July 2020. However, the College should realise the budget surplus.

Members discussed ongoing sector concerns and negative impact of pensions valuation.

David Williams highlighted reporting from the Government with regard to additional support funding, which did not now include Further Education. Any additional spend would be taken from College funds, unless a specific stream was forthcoming for FE.

The Finance and General Purposes Committee resolved to recommend to the Corporation the approval of the Budget Review, as provided 23 June 2020.

4b Funding Update

4bi Budget 2020/2021

Members considered the budget projection for 2020/2021, noting a reduced surplus in comparison to previous years.

Jacquie Carman outlined that while offset by the increase in base rate funding, high value premium on some course provision, and Maths and English Level 3 programme support, income through funding was flat. This was due to the impact of student numbers in the current year, under the lagged funding model. Members also noted that there could also be a downturn in Higher Education funding, as it was predicted that a number of students would choose not to go onto HE this year. Jacquie Carman highlighted that the College might support some such students on its Higher National qualification courses. The College continued to move forward with Apprenticeships in priority areas, but predicted income was lower.

Jacquie Carman further reported that there was a small downturn in economic income through Halesowen College Enterprises, and that grant funding, such as that through the West Midlands Combined Authority Digital Retraining Fund, had also been incorporated into the budget model.

With regard to expenditure, Jackie Carman reported that the College had based plans on provision being divided equally between online and in College learning. However, while awaiting further guidance on social distancing and other factors, timetables were modelled on students being in College for fifty, seventy-five and one hundred percent of their courses. Subsequently, a further review of teaching quantum might be necessary.

With regard to pension costs, there had been no indication regarding an increase in Teachers' Pension costs and the West Midlands Pension Scheme costs were fixed for three years. Increased costs for PPE, cleaning and transport were also noted.

Members were clear that in considering student enrolment data the College would need to apply caution in looking to future years' funding.

In consideration, both EBIDTA and Pay as a percentage of income projections remained within thresholds and overall it was noted that the College was, subject to student enrolment, demonstrating a stable position.

Members recognised that applications had slightly increased on the previous year, but that the position was fluid and that the College needed to remain agile and responsive.

Peter Coley joined the meeting.

The Finance and General Purposes Committee resolved to recommend the revised Budget 2020/2021 as provided 23 June 2020.

4c Halesowen College Enterprises Limited

4cii Outline Business Plan 2020/2021

Members received a verbal update on current, known information with regard to business activity for Halesowen College Enterprises Limited, being that;

- increased cleaning services would be provided for the College,
- the College Nursery had reopened with a small number of places and reasonable projections for September,
- facilities hire would be reduced, particularly with regards to the autumn term,
- restaurant, catering and retail would commence, but at a reduced offer, and following industry guidance,
- that some mail order of appropriate items would be offered.

As new Government guidance had now been provided, a more tangible plan could be provided for the Corporation.

The Finance and General Purposes Committee recommended that a Business Plan for HCE be provided for the Corporation Meeting in July 2020.

4cii Memorandum of Understanding

Members considered the annual review of the relationship between Halesowen College and the wholly owned subsidiary Halesowen College Enterprises Limited.

In particular, noting the ongoing assurance that the company remained self-financing, with no use of public funds for commercial activity.

The Finance and General Purposes Committee approved the revised Memorandum of Understanding with Halesowen College Enterprises 2019/20.

4ciii Gift Aid

Members considered the approach to Gift Aided funds.

The Finance and General Purposes Committee approved the accounting treatment of the covenant from Halesowen College Enterprises Limited to Halesowen College, that being, to account for Gift Aid in the 2019/20 accounts.

4d Policy Updates

4di Student Financial Support Policy

Jacquie Carman reported that the ESFA had changed the manner of student support funding, with the funding based on postcodes and deprivation indices. The College therefore had increased funding to provide for students in need. Key commitments for the year ahead were in meeting digital needs for those students with equipment or access issues, and supporting travel costs for extended work placements, funding for which was ring-fenced. The fund addressed uplift in national minimum wage and would also consider within its processes the number of dependents within a student's household.

Members asked questions about the additional funding, the exact categories of funding involved and how these are allocated to students, and how any funding underspend is addressed. Jacquie Carman clarified funding categories and that funding was received based on postcode, and was then allocated through applications based on need. This covered a range of support through free meals, equipment and travel to work placements. Students were signposted to this support offer through a range of routes including enrolment, personal coaches and online information. Jacquie Carman also responded that while the College had not done so, it could carry forward some underspend to the next financial year.

The Finance and General Purposes Committee resolved to approve the Student Financial Support Policies incorporating 16-19 Bursary Fund, Discretionary Learner Support 19+, 19+ Advanced Learning Loans Bursary Fund and Further Education Free Meals.

4e Review of Financial Regulations (Payroll)

Jacquie Carman explained that a complete review of the Financial Regulations had been undertaken, with key changes to payroll being transferred to in-house provision. Also reported was a scheduled internal audit of payroll arrangements, to cover separation of duties, regularity of workflow and accuracy and timeliness of pay, including statutory reductions being addressed.

Other changes noted, included reference to Office for Students accounting requirements and the Corporation's changed governance structure.

Action 4e(a)

Members discussed governor access to listed policies and procedures and it was noted that these, together with an up to date chart of the management structure, could be provided on the Corporation's Repository.

That Finance and Resources Committee determined that the revised Financial Regulations were fit for purpose and recommended that the Corporation adopt them.

5 Items for Reporting and Noting

5a/5b FRS21 Review of Activities/ Compliance review – Charities Act and Associated Legislation

Jacque Carman outlined the compliance review undertaken, specifically in meeting the public benefit test for College activities.

The College had previously looked at amber rated areas and decided to transfer activities, such as the Nursery, to Halesowen College Enterprises Limited. For 2020/2021 two areas of consideration were;

- review of the over 50s provision, to ensure that it remained appropriate, particularly in light of the impact of Covid-19 on the over 50s community,
- clarity of contract with Halesowen Football Club, regarding work on the College pitch and their use of facilities.

Members sought assurance on review of the Public Benefit Statement, as dated 2013. It was noted that this remained under annual review as was required, and would be provided in July for Corporation consideration.

Having considered the activities outlined in Appendix A, and the associated action plan, it was confirmed that all green and amber activities lay within the powers of Halesowen College.

It was also noted that further consideration of public benefit would be required, particularly for amber category activities, as further guidance emerged and reviews were undertaken.

5c Staffing Report – Covid-19 Staff Policy

Jacque Carman explained that with reference with the phased return to work on sites, it was important to have effective measures in place for staff to both minimise risk and build confidence. Therefore, the policy and procedures had been set up to provide;

- return to work induction
- protective equipment
- return to work video
- risk assessments beforehand, or at point of return

Members recognised that it was important that staff knew what to do if they developed symptoms, or were contacted through the NHS track and trace, including clear dating with regard to isolation and returning to work. Members also discussed arrangements for staff travelling abroad on leave, with regard to quarantine periods and potential further lockdowns.

Members also sought assurance on arrangements for workplace assessors. Jacquie Carman responded that the risk and safety arrangements within companies would be considered, with reference to the health and safety of both students and staff.

It was noted that the policy and procedure would be updated to respond to changing Government requirements and guidance.

6 Any Other Business

There was none.

7 Date of Next Meeting

The next meeting is scheduled for 12 November 2020, to be confirmed.

Members agreed that an additional meeting would be called if required.

Closed: the meeting closed at 19.35pm

Actions from Meetings			
Ref	Agenda item and action	Date/item for review	Reported by
Finance and General Purposes Committee - 21 November 2019			
5 5a	<p>Review of Planning and Investment - Options Strategy / Estates Plan</p> <p>The Finance and General Purposes Committee considered the current accommodation position, developments and potential future changes, noting that a revised Estates Strategy for 2020 with indicative budgets for 2020/2021 onwards would be provided at the next meeting for Committee consideration.</p> <p>June 2020 Update - a report would be provided for Corporation on current capital funding models following which the Committee would undertake more detailed consideration.</p>	<p>February 2020 - Pending</p> <p>November 2020</p>	JCa
Finance and General Purposes Committee – 12 February 2020			
5 5e	<p>Review of Financial Regulations</p> <p>It was agreed that both Financial Regulations and Finance and General Purposes Committee Terms of Reference would be returned to the Committee's 23 June 2020 scheduled meeting.</p> <p>June 2020 Update – Financial Regulations addressed under the agenda. Committee Terms of Reference deferred.</p>	<p>June 2020</p> <p>Spring 2021</p>	JCa/JSu
Finance and General Purposes Committee – 23 June 2020			
4e 43(a)	<p>Review of Financial Regulations</p> <p>Listed policies and procedures, together with an up to date chart of the management structure, to be provided on the Corporation's Repository.</p>	<p>November 2020</p> <p>Achieved.</p>	JSu