

AQUINAS COLLEGE RESOURCES COMMITTEE

Date: 8 June 2021  
Time: 4.30 pm  
Venue: Virtual

GOVERNORS PRESENT

Miss M Braithwaite, Mr S Coker, Mr B Hickey, Mr P Horton, Mr D Pearson and Mr D Quansah.

Miss M Braithwaite in the Chair

IN ATTENDANCE

Mrs D Blackburn    Senior Assistant Principal (Finance)    Miss E Bradbury    Head of Adult Education  
(Item 4)

Mr T Conlon            Clerk to the Governing Body

1.     OPENING PRAYER

The meeting began with a prayer led by Miss Braithwaite.

2.     APOLOGIES FOR ABSENCE

An apology for absence was received and accepted from Cllr T P McGee.

3.     DECLARATION OF INTERESTS

Governors and Staff were asked to declare any interest, which they may have in any of the items on the Agenda for this meeting. No interests were declared.

4.     CHARGING POLICY FOR CONTINUING EDUCATION COURSES

Miss Bradbury introduced a paper that had been circulated prior to the meeting that gave details of the proposed fees to be charged for Adult and Continuing Education Courses for 2021/2022.

Governors noted the following:

- a) Access to Higher Education Diploma Pathway in Psychology with: Human Biology or Criminology is free for those aged 19-23 if this is their first or full level 3 qualification and is claimed from the GMCA budget. Those aged 19 and above who already hold a level 3 qualification will have to pay the full cost of the course. The Advanced Learner Loan continues to be available or students can pay by instalments.
- b) The college are assessing if there is sufficient demand for Functional Skills: Literacy and Numeracy at Level 1 and Level 2 before deciding whether or not to offer the courses.
- c) GCSE English and Mathematics continue to be fully funded by the GMCA and are free for those students aged 19+ who have not yet achieved a Grade A\* - C or 9-4. Others pay full fee.
- d) GCSE Science Trilogy (combined) 50% of the fee is paid by the student and 50% is funded by the GMCA. Those on job seeker's benefits or low income would receive the course free i.e. the GMCA would cover the full course fee.

e) AAT Courses

- i) AAT Access Award in Bookkeeping Level 1
- ii) AAT Access Award in Accounting Software Level 1
- iii) AAT Foundation Certificate in Bookkeeping Level 2
- iv) AAT Foundation Certificate in Accounting Level 2
- v) AAT Advanced Certificate in Bookkeeping Level 3
- vi) AAT Advanced Diploma in Accounting Level 3

For level 1 and 2 courses, 50% of the fee is paid by the student and 50% is funded by the GMCA. Those on job seeking benefits or low income benefits would receive the course free using the GMCA budget. For level 3 courses the Advanced Learner Loan would be available or pay by instalments.

f) Leisure Course fees are in line with other providers and are paid in full by the student with subsidised rate for those on benefits. The various language courses are offered at beginner, intermediate and advanced.

g) All courses must cover the cost of the tutor.

RESOLVED: That the fees as set for 2020/2021 be recommended for approval to the Governing Body.

5. MINUTES OF THE PREVIOUS MEETING

The Minutes of the meetings held on 9 February 2021 were agreed as a correct record.

6. MATTERS ARISING FROM THE MINUTES

There were no matters arising that were not covered by the agenda for the meeting.

7. HEALTH AND SAFETY REPORT

Mrs Blackburn introduced a paper that had been prepared by Neil Lowe, Health and Safety Adviser, which had been circulated to Governors prior to the meeting. The paper covered the period 1 September 2020 to 13 May 2021 and contained the following areas:

- a) Monitoring and Audit – Health and safety development plans produced with higher and medium risk departments.
- b) Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). It was noted that no reports had been made under RIDDOR in this academic year.
- c) Six accidents have been recorded so far in the academic year and a further three accidents were reported but were deemed to be caused by risks inherent to the activity. All accidents have been investigated or are in the process of being investigated.
- d) Seven staff members have been affected by work related ill health resulting in a cumulative absence of 39 days including weekends and bank holidays. In the same period for 2019/2020, one member of staff had been affected by work related ill health leading to a loss of 41 days. Three cases of absence are caused by stress which accounts for 3 days. The other four cases account for 36 days caused by muscular skeletal disorders (11 days), eye problems (24 days) and 1 migraine. All cases have been appropriately investigated and remedial measures put into place.

- e) There are no significant findings to be reported to Governors.
- f) There has been no significant regulatory changes effecting the college.
- g) Covid 19 pandemic has required the college to operate flexibly in response to the pandemic. Specific Covid 19 risk assessments have been maintained and updated throughout the year. Between March 200 and April 2021 the college has been informed of 100 cases, the vast majority being students, who had tested positive for Covid 19

A full report covering the academic year will be provided for the next meeting.

RESOLVED: That the report be received.

## 8. MANAGEMENT ACCOUNTS

Mrs Blackburn introduced the Management Accounts for May 2021 which had been circulated to Governors prior to the meeting. A discussion took place on the May Accounts with particular reference to the following:

- i) There had been a trading surplus of £978,000 to date. The monthly results for May 2021 show a surplus of £5,000. The forecast outturn for 2020/2021 is around £900,000.
- ii) The support staff pay award and the teachers pay award has now been agreed and were paid in May 2021.
- iii) The financial health calculations show that the college will be classed as Outstanding at the end of the financial year. The forecast completed in July 20 as part of the two year plan return assessed the college as Good as a prudent approach to future outturns had been taken.

If Governors had any questions on the May Accounts they were asked to contact Mrs Blackburn.

RESOLVED: That the Accounts for May 2021 be received.

## 9. BUDGET 2021/2022

Mrs Blackburn introduced a set of papers in relation to the proposed budget for 2020/2021 that had been circulated to Governors prior to the meeting. The papers contained a) a spreadsheet of cash income and expenditure b) the same converted into accounting format and c) a written summary.

The ESFA have now confirmed that the income from them for 2021/2022 will be £10,672,133 compared with £10,370,448 for 2020/2021 and is an increase of £301,685. The funding is based on 2,298 students compared with 2,253 for last year an increase of 45 students. The funding band increases from last year have been maintained with a top rate of £4,188. 97.5 % of students are at that rate. In addition all the new elements of funding introduced in 2020/21 are to be paid in 2021/22. The ESFA funding above contains £300k for 50 students; this element of funding provides the first £6,000 additional support funding per High Needs students who need one to one support.

In addition, the budget includes Local Authority high needs funding of £247,399. This covers the assessment of the additional costs over £6k. The college has already secured £195,000 from Stockport MBC for continuing students with high needs. We are about to submit claims for new students starting in September 2021.

The Teachers Pension Grant will continue until 31 August 2022 and is confirmed at £356,359.

The draft budget shows a contingency reserve of £225,264 compared to £121,362 last year, an increase of £103,902. Whilst the initial trading surplus is £360,987.

All aspect of staffing and non pay costs will be monitored to ensure the running of the college as efficiently as possible.

Mrs Blackburn drew Governor's attention to the Financial Health calculated from the initial budget where the overall outcome is that it is classed as Good at 220 within the range 180 to 230.

RESOLVED: That the draft budget for 2021/2022 as presented be recommended to the Governing Body for approval.

#### 10. CESSATION OF LIBOR

Mrs Blackburn introduced a paper in relation to the cessation of LIBOR that had been circulated to Governors prior to the meeting.

LIBOR stands for the London Inter-Bank Offered Rate and has been used for many years. It is an interest rate average calculated from estimates submitted by the leading banks in London. Each bank estimates what it would be charged were it to borrow money from other banks. LIBOR is being replaced by SONIA which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. It is administered by the Bank of England.

The college holds two bank accounts, i) a fixed rate loan with a residual balance of £1.5m with a fixed interest repayment of 5.27% and a penalty for early repayment and ii) a variable rate loan of £1.2m repayable at base +0.35% (0.45% currently) with no penalty for repayment. Both will be fully paid off in 2033.

The reason for the change is that LIBOR is being abolished in January 22 and the outcome of changing to a new interest rate measure uses the principle of economic equivalent i.e. neither the bank nor the college should be advantaged or disadvantaged by the change to the chosen new method of calculation. It is recommended that the base rate be used as it is established as a useful measure, is easily understood and will exist going forward. The change will need Governor approval and a signed minute as before when for instance the covenants had to change to take account of FRS102- the new financial reporting standard effective from 1 January 2019.

The minute to read:

At a full meeting of the Governors of Aquinas College (the college) held on Tuesday 29<sup>th</sup> June 2021 the following resolution was passed:

It was RESOLVED:

i) That the loan facility in an original principal sum of up to £11,700,000 arranged with Lloyds Bank PLC in a letter dated 17<sup>th</sup> January 2008 (the Facility letter) be amended in the manner suggested by the bank in the letter headed "LIBOR loan facility Transition Proposal" dated 12<sup>th</sup> February 2021.

ii) That the original loan agreement be amended to replace LIBOR with bank **Base Rate** wherever it appears and for the main purpose of calculating any break charges should the college decide to pay off part or all of the fixed rate element of the loan before its termination date of 9<sup>th</sup> March 2033.

iii) That Mr D Pearson and Mrs D Blackburn, jointly, be authorised to make necessary arrangements with the Bank and to sign the amendment letter on behalf of the college.

We certify that this is a true copy of the Resolution which has been entered in the Minutes and that it was passed in accordance with the Memorandum and Articles of Association of the College.

RESOLVED: That the Governing Body be recommended to agree draft minute outlined above.

11. FINANCIAL ASSESSMENT AND GOVERNORS DASHBOARD

Mrs Blackburn circulated a letter and a paper that had been issued by the Education and Skills Funding Agency. The paper gave details of the college's financial health, underlying financial health, financial control, financial intervention and college dashboard information for May 2021.

Based on the financial plan the college's financial health is:

Good for 2019/2020 (the outturn year), and  
Good for 2020/2021 (the current budget year).

Mrs Blackburn drew Governors attention to the paragraph "Other Matters" in the letter dated 13 May 2021. She advised Governors that the college does not receive any income from the Office for Students in relation to its PGCE course which operates on a franchise basis with Bolton University.

We await confirmation from the ESFA that the letter will be reissued.

If Governors had any questions they were asked to contact Mrs Blackburn.

12. NATIONAL FUNDING POSITION

Mrs Blackburn advised Governors that in the coming years a modest increase in student number will not generate large amounts of additional income. It had been hoped that the base rate of £4,188 would be increased further in the next spending review, however the sector now faces uncertainty again for 2022/2023 and beyond.

13. AUTHORISATION OF TWO YEAR FINANCIAL PLAN

Mrs Blackburn advised Governors that the two year financial plan has to be submitted to the ESFA by the end of July 2021. The plan includes the outturn for 2020/2021, the budget for 2021/2022 and the forecast of 2022/2023.

The plan may be ready for the Governing Body meeting scheduled for 29 June 2021. If not the Chairperson would need to sign the Two Year Plan on behalf of the Governing Body.

RESOLVED: That the Chairperson be authorised to sign the Two Year Plan on behalf of the Governing Body.

14. ANY OTHER BUSINESS

There was no any other business.

15. DATE OF NEXT MEETING

The next meeting to be held on Tuesday 9 November 2021 at 4.30pm, subject to the Calendar of Meetings being agreed by the Governing Body at its meeting on 29 June 2021.

Signed \_\_\_\_\_  
Chairperson

Date \_\_\_\_\_