

**THE COLLEGE OF RICHARD COLLYER**  
**MINUTES OF**  
**THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING**  
**HELD ON THURSDAY, 28<sup>th</sup> JUNE 2018 at 16.15pm**

Present: Mr Tom Cox, Ms Ann Donoghue, Mrs Patrice Mantey,  
Dr David Skipp, Mrs Helen Smith, Mr Sam Uzzell

Apologies received: Mrs Sally Bromley, Mr Robert Yorke

In attendance: Mr Ian Dumbleton, Ms Nicola Whitehead

In the Chair: Ms Ann Donoghue

*Members were content with the information received, the proposal that the emphasis should be on items 6, 8 and 9 of the agenda and proposed consent items 5 and 7. They did however signal a wish to ask questions in relation to items 10 and 11 and the Deputy Principal flagged that he had updates further to the Estates meeting.*

2231. **Declaration of interests** None

2232. **Minutes** of the meeting held on 14<sup>th</sup> May 2018 were approved.

2233. **Matters arising**

**Item 2207:** The Clerk confirmed that she had circulated the **comparative payroll data**.

**Item 2208:** The Finance Director explained that the College's phased additional contributions (moving from 18.2% to 25.2%) over the three year period to March 2020 were a reflection of the actuary's intention to bring the College to the target position of neither a **pensions** deficit nor surplus. The next valuation process would be expected to start in March 2019, with outcomes known in the autumn, prior to implementation from April 2020. Market volatility made it difficult to predict the direction of travel in terms of the College's precise contributions although there was confidence in the Scheme's fund managers given their track record.

**Item 2212:** The Finance Director reported that WSCC had been unable to give any firm news on the timing of receipt of the **£106 monies**. Members considered the position unsatisfactory, particularly in the light of the auditor's advice that the income would need to be reflected in the College's 2017/18 accounts with WSCC shown as a debtor. It was agreed that a joint letter be sent from the Principal and Chair (to the College's main contact, copied to the Chief Executive and WSCC Leader) requesting information by 10<sup>th</sup> July so that the College could take account of this in their financial forecasting and property strategy considerations.

*[16.25 Mrs Helen Smith joined the meeting].*

**Item 2163:** The Deputy Principal (DP) confirmed that the Principal had taken account of the comments received from the Committee and exemplars from the Acting Chair at the May meeting in respect of the new **Staff Overseas Travel Policy**. This would now go to the Governing Body for approval on 10<sup>th</sup> July.

2234. **Report from the Estates Sub-Committee**

*Papers: Summary of 18<sup>th</sup> June 2018; Health and Safety Minutes and report of 24<sup>th</sup> May 2018*

Members noted the key points from the recent meeting including the

- i. Continued lack of agreement on the GB1 final account whilst awaiting figures from the contractor;
- ii. Plans to develop further the project management procedures to distinguish between large and smaller capital projects;
- iii. Work underway to accommodate West Sussex Music offices in addition to music lessons;
- iv. Planned maintenance programme totalling £69.4k with c. £56k to fall in 2018/19 (with no guarantee as yet that ESFA funding would be received for this);
- v. Reports from the Estates Manager/ Health and Safety Officer including the annual fire review, boost in first aiders, and limited number of accidents/incidents.

In the absence of the Sub-Committee Chair, the Deputy Principal reported on updates since the 18<sup>th</sup> June meeting. The CAD drawings had been received from the Architect for GB1 facilitating forward planning of GB2. The Principal had written to the insurers enclosing the second Watts report. She had also asked the Project Manager to explore an updated Building Conditions Survey, last undertaken in 2012. The Project Manager had also completed a long term planned maintenance programme with the Estates Manager going forward 40 years.

## 2235. **Property Strategy**

*Paper: Updated sections 5-7 of Property Strategy*

The DP explained that the Principal had updated the Property Strategy as requested. The room utilisation survey suggested that, whilst there was not an immediate need for additional space, the College did need to look to the not too distant future. The CIF 2018 outcome suggested the College should prioritise **GB2** for which there was already planning permission. It seemed possible that there could be some flexibility in the CIF funds for capital expansion particularly for outstanding colleges which could demonstrate growth. The Principal had also carried out further exploratory work regarding an accommodation block for international students including a potential feasibility study but the level of demand meant that there was no intention to follow this through at the current time.

Members sought further explanation of the rationale for a CIF funding bid in the next round, noting that, with limited CIF funds, S7 experience showed that sometimes several (annual) bids might need to be made before any success. The College was mindful too that it would be offering the new Digital T level from 2020 and would benefit from rationalising and improving the space for the art, design, digital and media curriculum areas. Members also sought clarification as to whether any of the College's own funds (including S106 money) would be used for GB2, or those of the Collyer Endowment. The Clerk sought to explain the trustees' position in terms of their potential partial support but need to preserve the value of the endowment for the longer term.

In respect of the JLL feasibility study, members sought reassurance that this was indeed on hold and that an internal analysis would be undertaken in the first instance as discussed at the March meeting. The Clerk confirmed that this was the Principal's intention. A suggestion was made that first steps should include a wide-ranging and in-depth risk analysis of any such accommodation, beyond financial considerations and irrespective of its particular form. The Chair confirmed his understanding that there were no specific plans at present with the emphasis on information-gathering

including insights into other colleges' experience so that any decisions could continue to be well-informed.

Members sought further clarification of the plans in relation to the allocation of costs to the College and where these might fall to others such as West Sussex Music, both in the short and longer term, suggesting that the text could be clarified for the benefit of other readers. The Deputy Principal reiterated the benefits of working with West Sussex Music in respect of College outreach. It was however too early to answer some questions on allocation of costs and future building location at the current time.

#### 2236. **Management accounts**

*Papers: Financial report for the period from 1<sup>st</sup> August 2017 to 31<sup>st</sup> May 2018*

The Finance Director's report demonstrated that, with a surplus of c. £22k at the end of May, the financial situation was healthier than expected against the initial budget figure of a deficit of c. £105k. There was a healthy cash balance. Several income areas were performing ahead of budget, for example adult education, fee paying international students, and lettings which would have a very positive impact on the College's performance for the year as a whole.

There would be some additional costs associated with the increased income generation but overall the College remained on track to exceed both the budgeted surplus for the year and the mid year forecast. Outstanding loans were £734,331.

#### 2237. **Provisional Outturn and Two Year Forecast**

*Papers: Budget 2018-19 and 2019-20 Forecast; ESFA returns excerpts (Schedules 2, 3 and 4 Financial Health, Income and expenditure forecast, Balance Sheet); Financial Forecast: Objectives and Commentary 2018-2020; Capital Budget 2018-19; Forward Look 2020 and beyond*

The Finance Director explained that the forecast surplus for 2017-18 was currently £572,108. The underlying position, without the promised S106 funding was a surplus of c. £10k. In either case this was significantly ahead of the original budget which was for a deficit of £150,842. In the light of this, the College had withdrawn the request for support from the Trustees. (The Trustees had therefore agreed, at their meeting on 18<sup>th</sup> June that there was no longer a commitment by the Trust to provide additional grant funding to the College. However the Trustees could return to making a decision on this at a future date.)

The budgeted surplus for 2018-19 was	£ 6,847
The forecast deficit for 2019-20 was	£ 446,390

Members noted the impact of losing £145k in transitional relief and recognised the uncertainty in respect of pay, with every 1% of pay award adding c. £64k to the payroll. There were also to be additional costs in terms of teachers' pensions with an £100k allowance made to-date as well as for exam fees.

ii) Turning to the **capital budget**, members noted that the capital expenditure budget for 2018-2019 was £414,000 which included an allowance for settlement for the GB Building. £88,000 had been budgeted for the Sports Hall works due in the summer of 2018. Other capital expenditure included in the budget was in line with what we have budgeted in previous years.

**Recommendation: That the Governing Body approve the budget 2018/19 (including capital budget) and financial forecasts 2019-20.**

iii) Looking forward (beyond the data required by the ESFA) to 2020 and beyond, members noted the Finance Director's report of significant financial challenges during this period. All transitional relief for funding cuts would have been removed and the College would be facing increased costs that were outside the College's control. As a result of this further deficits were forecast with an impact on net cash outflow. He anticipated that the College would then be 'satisfactory' rather than 'outstanding' in its financial health, albeit that this would be widespread across the sector.

In response to questions, the Finance Director explained that the College would be able to draw on its cash reserves and had to-date looked forward 5 years in terms of the balance sheet. Members were interested in a 10 year forward look and how long the College's reserves would last. The Finance Director explained that, looking at the underlying cash position, the net cash outflow would be £100k per annum by 2021/22 suggesting a fund of a million could last ten years subject to other variables. The Deputy Principal advised caution in feeling relatively comfortable within the sector given the value of the Sixth Form College brand. It was in all colleges interests to continue to demonstrate strong performance relative to the schools and independent sector in spite of the financial pressures. These included growing pressure on pay. For example, the teaching side had just submitted a pay claim of 5%, far in excess of the 1% which colleges had sought to afford in recent years. Such concerns drove the College to continue to be lean its operations without compromising on quality.

Members acknowledged these drivers whilst flagging concerns that the right balance needed to be struck in holding reserves which might otherwise benefit students. The Deputy Principal acknowledged the case for investing in staff and facilities but thought that now was not the time to be profligate. The VP added that SMT would be taking a different stance if they thought such spend could vastly improve outcomes which were however being sustained at a high level.

#### 2238. **Treasury Management Report**

*Paper: Treasury Management Report*

The Finance Director explained that this was a new report which aimed to advise the committee of the performance of treasury management in 2017/18 and set a strategy for 2018/19. Members asked about the case for spreading cash over more than two banks given the limited safeguards on large deposits. The Finance Director explained the rationale for relying on those few institutions with a relatively high credit rating as well as the needs of liquidity and maximising returns. The Chair suggested that the target be amended slightly to reflect this wider understanding of risk beyond simply the number of institutions. **(Action: Finance Director).**

#### 2239. **Amendments to the Financial Regulations**

*Paper: Updates to Financial Regulations and Procedures June 2017*

The Finance Director reported on the minor proposed changes to include bank account changes, thresholds and additional statements of control. Members asked about the rationale underlying the proposed change in threshold for a full tender process from £30k to £50k. The Clerk explained that this had arisen at least in part out of the review of project management procedures and approval thresholds for capital projects to reflect inflation over time and secure clarity over VAT. Members were content with the other proposed changes but asked that those relating to procurement be brought back to the next meeting so that members had a clear idea of the processes and safeguards at different levels of expenditure across the piece i.e. including but not exclusive to building works **(Action: Finance Director)**

**Resolved: The Committee approved the minor changes to the Financial Regulations with the exception of those relating to procurement.**

**2240. Discretionary Financial Support Funds**

*Paper: Discretionary Financial Support Funds 2017-18*

The Assistant Principal introduced her report which showed how the ESFA funding had been spent in relation to vulnerable students and others in need of discretionary support. Going forward, although the college was permitted to roll over funds from one year to the next, the College was keen to avoid a further small but consistent underspend which had led to an accrued surplus. As such the thresholds for and levels of support for the discretionary bursary had been reviewed.

Members welcomed the comprehensive report and strategy to ensure the grant was fully spent and well-targeted. In response to questions, the AP explained that the previous thresholds for support had been moderated across the S7 colleges. The changes were cautious given the difficulty in predicting their impact on demand. The assessment of household income did include an understanding of universal credit applications but could not include a thorough assessment of household costs. The College sought to ensure that the funds were spent on the most deserving but this did present challenges. Other pointers such as attendance could help signal where support was needed. The bursaries were well promoted to students, and included in safeguarding training with staff vigilant to need. University visits were not funded but could potentially be covered by other available bursaries e.g. Collyer's Association and a new trustees fund. A co-optee commented that the University of Surrey, for example, did offer such help for interested students but it did require the student to identify themselves. The AP proposed to look into how widespread this was and whether this could be promoted to students. **(Action: AP)**

*[18.08 Mrs Mantey joined the meeting]*

**2241. Insurance update**

Members welcomed the Finance Director's further efforts to gain a competitive premium for the College's insurance cover. The revised agreement was for a five-year insurance term at a reduced cost of c.£32k per annum excl. insurance tax (and subject to annual review of insurance cover) effective from July 2018. A question was raised in relation to an exit clause.

**2242. HR update**

*Paper: KPI health check; Student and staff survey results*

**i) KPIs: Health Check**

Governors noted the up-to-date information on retention and financial targets. Following discussions with MIS and the Information Services Manager, the retention information now included figures drawn from the ILR returns in order to present a fuller picture of retention in-year as well as the impact of late losses on the retention factor calculation within the funding formula. Members understood that both the cash days in hand (CDIH), though slightly down, as well as ratio measure were still strong.

ii) Turning to **HR issues**, members noted that two members of staff were on informal capability, one member of staff had not passed their probation, two members of staff were being referred to occupational health at the request of the College and one member of staff had been on long term sick leave since April 2018.

iii) The Vice Principal explained the process for the **staff and student surveys** including subsequent focus groups and 'You said, we did' publicity. The results had also been considered by the Quality and Curriculum Committee in what was a newly configured report. This distinguished between 'strongly agree' and 'agree' which helped to gauge the level of satisfaction more precisely but could potentially prove more volatile. The refectory had once more attracted strong interest with evidence of a change in demand, for example in having gluten free options. The canteen staff had responded promptly to the feedback. The canteen was unusual in the sector in not making a loss but remained sensitive to price. Members commented on the high response rate and incentives to students to complete the surveys. It was thought the strength of the 'You said, we did' approach was a powerful tool to achieve this. The Market Research Society's code of practice was mentioned as useful guidance on survey best practice. **(Action: VP to consider any implications for the Spring 19 surveys.)**

Members hailed the results as ones to be proud of and welcomed the constructive response of the relevant services. The extensive comments were interesting but members considered it most practical to focus on key messages rather than forensic pursuit of every detail. They noted too the Principal's plans, pending a further full survey in 2019, to issue a parent 'pulse' survey before the end of term concerning both the uptake and use of MyStudent and SEND provision (not previously included).

2243. **Any Other Business** None

2244. **Annual Meeting assessment**

*Paper: Committee SAQU*

Members agreed that there had been robust discussions over the year in the spirit of a 'critical friend'. The Chair had sought to be efficient given full agendas whilst not curbing useful discussion and the potential to support the College. Members had a preference to stick to four (if necessary slightly longer) meetings than return to the previous six. They welcomed the recent and proposed change in membership to help address quoracy issues on restricted staff items.

2245. **Date of next meeting:** The proposed date of 19<sup>th</sup> November 2018 presented difficulties for two of the members present. **(Postscript:** The Clerk subsequently circulated a revised date of 26<sup>th</sup> November 2018).

2246. **Review of the pay and conditions of Senior Postholders, Assistant Principals, Finance Director and Clerk**

*Paper: Principal and Clerk Performance and Appraisal Reviews; SMT Performance and Appraisal Reviews*

*[18.25 All SMT members, Mr Cox and Ms Whitehead left the meeting]*

i) Members noted the Principal's appraisal of SMT members taking account also of the Chair's appraisal discussions with the Deputy Principal as a senior postholder. They were content with the Principal's recommendations on salary for SMT members.

**Recommendation: That the Governing Body approve the proposals on SMT salaries as set out in the Principal's May 2018 paper.**

ii) Members discussed and agreed the Chair's recommendations on pay for the Clerk which had the support of the Principal. They were however conscious that the hours worked exceeded her contracted hours and proposed that this be reviewed.

**Recommendation: That the Governing Body approve the Chair's recommendation on the Clerk's pay as set out in the paper submitted to the Committee.**

**Part II minutes: (Criterion a) Personal information related to an individual**

The meeting ended at 18.45 p.m.

Chair .....

Date .....

05/07/18

NCW