

THE COLLEGE OF RICHARD COLLYER
MINUTES OF
THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING
HELD ON MONDAY, 8th MARCH 2021 at 16.00

Present: Mr Tom Cox, Mrs Ann Donoghue, Mr Graham Lawrence, Mr Dan Lodge, Dr David Skipp, Mr Paul Mittendorfer

Apologies received: Mr Sam Uzzell

In attendance: Mr Ian Dumbleton, Mr Steve Martell, Ms Nicola Whitehead

In the Chair: Mrs Ann Donoghue

The Chair invited the Principal, prior to the start of the formal meeting, to report on the College's experience of its first day back at College under the Government's roadmap. The Principal reported on the positive feelings of both staff and students. The Vice Principal (Pastoral) was to be congratulated for her organisation of a dedicated team and process for testing which would be the focus of the first two days. 540 tests had been carried out on this first day and no positive cases identified. The first year students would be tested in week two and each year group alternate for teaching on site for the four weeks remaining of the spring term. It was the intention to be fully on site from the start of the summer term.

2380. **Declaration of interests** None

2381. **Minutes of the meeting held on 26th November 2020 were approved.**

2382. **Matters arising**

Item 2371: The Clerk confirmed that members had been provided with the link to the online open evening on the Collyer's website.

2383. **KPIs: Business**

Paper: KPIs: Business

The Deputy Principal explained that the new-look KPIs sought to give a clear headline picture of growth, income and profit. In response to F&GP feedback, the **KPIs now included business profit in % (as well as monetary) terms** - in line with the Strategic Plan.

The key message was the issue of Covid impacting on income from internationals, lettings and Adult Ed although **applications for 2021/22 were looking positive, as was consistency with the budgeted forecast surplus reported to the ESFA for the current year**. The enrolment figures had since gained over the previous year by c. 30 applicants and there was also more interest from international students.

Members asked for inclusion of the financial and business targets in the KPIs as this would provide a useful, and indeed positive, broader picture in addition to the year-on-year figures.
(Action: Principal)

2384. **Management accounts**

Paper: Management accounts to end January 2021

The Finance Director explained that the **financial position at the end of January** was, with a deficit of £38,630 at 31 January 2021, **£16,754 better than budget. Income was £79,195 below budget** due primarily to reduced income of £79k from the refectory owing to reduced numbers of students on site in the year to-date. However, this reduction had been partially offset by savings on food purchased. Adult Education income was showing a positive variance of £15k, while the several other income streams were mostly showing small adverse variances.

Payroll costs were under budget as was non-pay expenditure with similar trends apparent for February. **The only cost that was significantly over budget was depreciation** (by c. £32k) **owing to the substantial investment made in laptops in late July** for staff who needed to work from home. However, depreciation did not form part of the EBITDA figure on which financial health was calculated and EBITDA was ahead of budget. Members noted that, by comparison with GFEs, Sixth Form Colleges had been relatively well protected in the current climate given both lagged funding and less reliance on in-year revenue streams. As such **members welcomed the positive financial position and favourable movement against budget.**

Recommendation: That the Governing Body approve the Management accounts to end January 2021.

2385. **Mid-year update of the Financial Forecast**

Paper: Mid-year update of the Financial Forecast 2020/219

The Finance Director reported that:

- a) Income was holding up well, with the exception of refectory income which was forecast to be down by £114k over the year though offset by a reduction in costs of £63k;
- b) The major change since the original budget was the **Government's commitment to the continued funding of Teachers' Pensions superannuation for employers to at least July 2022**. This would generate a significant amount of additional income (c. £105k) in the current year, offsetting the impact of the reduced income from the refectory.
- c) **Overall, the surplus was now forecast to be £52k, £11k higher than the budgeted figure. EBITDA was forecast to be £653k, up from £601k in the original budget, thus further strengthening the College's 'Outstanding' financial health rating in the current year.**

In response to questions about any potential grants from the Trustees and Mercers' Company, the Finance Director explained the lengthy discussions with the external auditors and Audit Committee of the impact of accounting standards. In relation to the recent teachers' pay rise given other pressures on public sector pay, the Principal explained that the 2020/21 settlement had translated to a 2.42% increase over the year but would have a greater impact in 2021/22. Going forward therefore, **whilst colleges were not technically within the public sector pay constraints, they would need to be mindful of the high cost of pay increases and static base funding rate.**

Members noted that the only change to the original **capital budget** was that there would be some preliminary costs associated with the CIF bid. This mainly involved architect's fees but these were not expected to be significant at this stage.

Recommendation: that the Governing Body approved the mid-year update to the Financial Forecast at their next meeting.

2386. Finance Strategy

Paper: Finance Strategy 2020-2032

The Principal explained his wish to promote financial understanding and engagement through this **new longer term strategy which sought to address how the College might grow whilst remaining strong financially, closely allied with the Property Strategy**. Both strategies also looked in detail at the period 2020-23, in line with the overriding new college strategic plan as well as the directorate strategies (Curriculum, Pastoral, Marketing and Digital).

The main **focus for the next 12 years was to grow student numbers and the profitability of business activity whilst managing costs carefully**. Specific plans for 2020-23 included **improving financial awareness across the organisation**, mindful of the need not only to balance income and costs but also achieve economies. It was important too to preserve funds to allow for investment in future capital projects to support the growth.

Members explored the strategic driver in relation to seeking **Government funding consistent with the College profile**. They also recognised the **need to establish the Governing Body's risk appetite in relation to financial issues such as the level of reserves and timely investment to support growth and remain competitive**. It was proposed that reserves of c. £3m seemed prudent whilst recognising that borrowing had its drawbacks. Whilst growth was paramount, at least to the **current target of 3000 students**, there was recognition too of the **need to maintain quality in teaching and facilities** as well as **a sense of community**. Monitoring of this number going forward would continue to take account of demographic trends and the capacity of the College site. Members recognised that the challenge of achieving growth and economies of scale and keeping in good financial health could not be underestimated.

Recommendation: That the Governing Body approve the Finance Strategy at their next meeting.

2387. Property Strategy

Paper: Property Strategy 2020-23

The Principal explained the similar approach and format to the Finance Strategy. The new Property Strategy had been shared with the Estates Sub-Committee and was going through a wider process of consultation with staff and students with a positive response from the RCU (and indeed former students at the Old Collyerians' Association (OCA)). There was the **prospect of optimising the use of the estate within the next five years, both through new builds and refurbishment**, in a way which engendered a **culture of community**. There was **also an aim to achieve a sustainable footprint**. Specific plans for 2020-23 included a new training centre for 2021 and a new teaching block and café for 2022.

Feedback was particularly sought on the overarching approach for the estate and prioritisation of space and feel alongside new building construction, the longer term phasing of building stages from 2020-32 and the shorter term detail on construction and refurbishment from 2020-23.

In response to a **question on whether there had been a complementary review of the existing buildings to include planned maintenance**, the Finance Director explained the regular audits of building condition undertaken by the ESFA. Whilst there were a few areas still in need of upgrading such as the DT block, the site was on the whole considered in good condition. The ESC Chair referenced similar discussions with the Principal, recognising that, whilst such upgrades were at a lower level than the new projects, they could accumulatively undermine the availability of funds for the larger projects. Members noted that the College's Project and Estates Managers had been working on such a potential programme of works which could be worthy of further consideration (whilst recognising it would be dependent in large part on ESFA funding).

The Principal commented on the balance being struck between expansion and condition bids for CIF funding with the recent application having moved away from a major build to a case for the replacement of the two main boilers and improvements to the perimeter security. Significant items such as this were worthy of being considered for this funding whilst smaller items would be covered by planned maintenance.

In summary members welcomed the strategic vision complementing the Finance Strategy.

Recommendation: that the Governing Body approve the Property Strategy at their next meeting.

2388. **Report from the Estates Sub-Committee**

Paper: H&S Committee minutes (4.2.21) and H&S officer's report

The ESC Chair reported on the recent meeting. The membership now included **new co-optee Eric Williamson** who had been most helpful even in advance of his first meeting in the preparations for the Shelley Building. Sustainability had been a strong feature of the discussion of the Property Strategy including a report on the College's new Sustainability Committee.

Shelley Building: A key decision had been reached on **the appointment of BAQUS as the Project Manager (PM)/ Quantity Surveyor (QS) for the Shelley build following robust processes** in both seeking and evaluating potential candidates through written submissions and interview. The successful firm had shown clear drive and offered a competitive price.

The Principal reported on the delays in **confirmation of the funding** and **discussions with the Nursery** concerning future arrangements including a new lease. One of the first **conversations with BAQUS** would be around **the timetable and how to derisk the project**, for example in relation to any potential slippage particularly regarding the impact of the Covid pandemic .

The ESC Chair assured F&GP members of the ESC's thorough review of two **Post Project Reviews (PPRs)**, the first on the **new canopy** which had been completed successfully in mid-February, creating an attractive and valuable outdoor social space at a cost of c. £53k. The second – to be shared also with the Governing Body following F&GP discussion- concerned the **Digihub**. The ESC had considered carefully the **lessons learned** in terms of the Covid impact and overspend and heard how these had already been **factored into the appointment of the PM/QS and wider Shelley preparations**.

In response to questions, the Deputy Principal explained that the **project management of the boiler replacement and increased security** would be carried out by the College's **in-house** Project Manager. With regard to the monitoring of external project managers, the Clerk referenced the evaluations of external PMs included in post project reviews on both the kitchen extension and more recent Digihub. Going forward, it was clear that use of an external PM did create the need for a clear understanding of the division of responsibilities between the PM and the College and what reporting was required. The ESC Chair explained the RICS contract and PM specification which would be used to monitor BAQUS during the Shelley project alongside their own plan. The PM selection panel had taken a detailed look at the proposed project monitoring and reporting to the College on the process of the build. Members agreed that there should also be a clear mechanism for regular review of the PM's performance. **(Action: ESC to consider)**

Recommendation: that the Governing Body approve the Digihub Post-Project review at their next meeting.

2389. **Policies:**

Paper: Fees and charges 2021/22; Admissions Policy

- a) **Fees and charges:** The Deputy Principal reminded members of the **change to the Fees and Charges Policy previously agreed by the F&GP Committee (by written resolution on 17th December 2020)**. This change enabled the College to benefit from a new opportunity to welcome fee-paying EEA nationals on one-year programmes from September. Marketing of this had commenced and already engaged some interest. The **usual annual review of the fee schedule appendix, completing agreement on the full range of charges, was now due**.

Members noted that the proposed fees for international students from non-EU countries and pre-A level international fee over the next two years to 2022-23 as well as the proposed review of the scholarship for one-year EEA students in the light of experience in marketing to these students for 2021 entry. The process for finalising Adult Education fees for 2021-22 and their future publication, with funding information, on the College website, was also explained.

Resolved: The F&GP Committee approved the revised Fees and Charges schedule.

- b) **Admissions Policy**

The Deputy Principal explained that the fees had also been reflected in changes to the Admissions Policy. The revisions also included additional clarity on the handling of late applications and a waiting list process as well as the course entry requirements. The Clerk explained that this policy was for formal endorsement by the Q&C Committee prior to approval by the Governing Body. It was however being shared with F&GP for any comments given some read-across in remits. Members were content with the changes for consistency across policies.

2390. **QIP update**

Paper: QIP 20/21 Spring review

The Principal reminded members of the clearer split between the Q&C and F&GP committees in terms of monitoring the Business and Community sections of the College QIP. The Spring term review showed that all actions and targets in these areas were on track or already completed with notable successes to-date in adapting the IT infrastructure and its use for teaching, support functions and conducting marketing activities online. Also, social space had been expanded, essential to the aim to have 100% reopening of the College in the Summer Term. The Principal commented too on the encouraging response to the sustainability and heritage initiatives.

2391. **Community update**

Paper: Staff Management Consultation Group (SMCG) meeting notes of 27.11.20 and 22.1.21

The Principal reported that the SMCG discussions continued to focus on COVID safety as well as the progress made in the job evaluation process and national pay negotiations.

2392. **AoB.**

The Committee Chair thanked staff governor, Tom Cox, for his service to the F&GP Committee over the past four years in anticipation of the end of his term of appointment at the end of the month. The Clerk explained that the election for the new staff governor was underway with an announcement expected on 22nd March.

The Chair of the Governing Body reported on positive feedback on Collyer's he had received in the community and the successful progress of the Covid vaccination programme in the district which would support the process of returning to College business as usual.

2393. Governance Quality Framework and Meeting assessment

The Chair thanked SMT and members for all the work in the preparation and reading of the material. Members believed the meeting had been efficiently and well chaired to conclude within two hours whilst allowing sufficient time for discussion.

2394. Date of next meeting: Wednesday 26th May (HR) at 17.00 and Tuesday 29th June 2021 at 15.00.

The meeting ended at 17.25

Chair.....

Date

NCW 22/03/21