

## THE COLLEGE OF RICHARD COLLYER

### MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON THURSDAY 26<sup>th</sup> NOVEMBER 2020 at 10.30

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

Apologies received: N/A

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

In the Chair: Mrs Ann Donoghue

2374. **Declaration of interests** None.

2375. **Minutes** of the meeting held on 17<sup>th</sup> November 2020 were approved.

2376. **Matters arising: carried forward**

2377. **Property Plan Review**

*Paper: TLCF*

The Principal explained that there had been **much change since the F&GP discussion just a week ago**. Work had progressed in preparing a **CIF 2021 bid focussing on a replacement boiler and new security fence**. The Chancellor's **Spending Review** the previous day had promised:

- an inflationary uplift to the 16-19 base rate, and
- to fund the Teachers' Pension Scheme increases from March 2021 to March '22.

The **anticipated deficit for the year 2021/22 was therefore a modest surplus of c. £34k, if one assumed a request for £200k could be made to the trustees**. Additional capital funding, albeit a modest amount given the claims likely to be made on it, had also been pledged.

Furthermore, **applications for 2021 were strong**, up 15-20% on the previous year at this stage, although this was not expected to translate into growth of this scale. It did however provide assurance that Collyer's continued to be recognised as the outstanding provider in the area amidst the Covid turbulence. **The meeting of the Trustees of the Collyer Endowment the previous day had also been constructive** in that they were willing to consider a case for some form of additional support to facilitate the new capital build (Shelley Building) without too adverse an impact on the College's reserves.

In response to questions, the Principal confirmed that, with the exception of pay costs where the Chancellor was proposing a public sector pay freeze, these appeared to be all the variables to be taken into account in considering the case as to whether to proceed with the build. He acknowledged the uncertainty concerning the future of BTECs which constituted c. 20-25% of the College offer but did not think this needed to be taken into account at this stage. Furthermore, **whilst the UK economic outlook was bleak, this suggested increasing capacity to facilitate growth and counter competition**.

The Principal proposed that none of the developments suggested any alternative options to the three presented in the papers. Of these, option 2 (to seek an alternative lower cost project for the funding) did not seem feasible as these had previously been rejected in the bid. **The choice was therefore binary- to proceed with the capital project with some possible**

**additional risk mitigations, or not. The DfE required a decision by 2<sup>nd</sup> December** and for the funding to be used by March 2022 (though further clarification would be sought on the deadline for completion of the build). Whilst there were alternative ways of providing additional classroom space in the short term (i.e. to 2024), **earlier completion would help address the increasingly difficult issue of social space.**

Members identified two key areas to consider:

**i) Capacity:**

All were conscious that members of SMT were adapting to new roles in very **challenging times with little previous experience of capital projects**. The Principal reported on plans to engage **a consultant to help prepare the CIF bid**. The TLCF project presented greater **challenges** but these were **only likely to increase with time** (e.g. reduced grant funding and rising building costs). **Other key initiatives** such as the new Strategic Plan and Financial Strategy **were nearing completion which would free up the Principal's time**. Committing to the future with **new facilities** was likely to be **attractive to new students**. That said, members accepted that there might need to be an honest look at what was a practicable workload with some initiatives potentially needing to be postponed.

**ii) Risk:**

Members accepted that whilst there **might be more generous capital funding** available in the future, there was also **a risk that there would be none**, especially for expansion projects. If there were, the College could bid for other elements of the project plan. They were **keen to preserve a financial grading of at least good with adequate reserves**. This could be achieved in a number of ways – to be further explored- including an additional loan of up to £500k and possible support from the trustees. The additional support announced in the Spending Review would help though potentially higher inflation needed to be considered. Nevertheless **the forward look was now looking more promising** with the deficits likely to be addressed in a shorter timescale. Members explored the advantages of retaining the current loan (at a very low interest rate), the need to have reserves to cover the liability and the lack of impact of interest on EBITDA.

**In conclusion, members agreed, (as had the senior management team) that the recent developments steered them more strongly towards proceeding with the project with the £500k TLCF funding contributing c. 20% of the cost.** They recognised that a lack of suitable accommodation would also present increasing challenges given demographic trends. **Going forward, there would need to be further formalisation of the timetable (including the potential implications of Covid on the build and funding), risks and project management with additional meetings of the likely to be needed to include a new co-optee with more technical expertise. (Action: Principal to pursue).**

**Recommendation: That the Governing Body approve a budget of up to £2m to build the Shelley Building with a contribution of £500k from the DfE.**

2378. **Meeting assessment**

The Chair thanked the Principal for the clear paper and data presented to the Committee as well as the subsequent update. She also welcomed the responsiveness of all members in attending this additional meeting at short notice.

2379. **Date of next meeting(s): Monday 8<sup>th</sup> March 2020 at 16.00.**

The meeting ended at 11.30.

Chair .... ..

Date .....