

THE COLLEGE OF RICHARD COLLYER

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON TUESDAY, 29th JUNE 2021 at 15.00 (by Zoom)

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

Apologies received: N/A

In attendance: Mr Ian Dumbleton, Mr Steve Martell and Ms Nicola Whitehead plus Mr Kevin Casey (min. 2415, agenda item 15), Ms Andrea John (min. 2416, agenda item 12) and Mr Richard Rothwell (min. 2414, agenda item 16)

In the Chair: Ms Ann Donoghue

The Chair introduced the meeting confirming that the focus would be on agenda items 6,10,11, 15 and 16 albeit that the latter items would be slightly reordered. The agenda was full, requiring some efficiency in discussion but members were asked to flag if they felt discussion was being unduly curbed.

2404. **Declaration of interests** None

2405. **Minutes** of the meeting held on 26th May 2021 were approved.

2406. **Matters arising:** *Covered in agenda or carried forward*

2407. **Business KPIs**

Paper: Business KPIs

The Deputy Principal explained that in line with the intention to grow, it was thought that **application numbers were on target** and up on years prior to 2019-20. Welcome days would once again take place online rather than at the college in view of the latest national surge in Covid cases. In financial terms, some areas of income were down but the College still anticipated achieving the budgeted forecast. The Principal expressed his thanks to the Deputy Principal (DP) and Finance Director (FD) for the progress in business-focused initiatives in spite of the challenges of the pandemic.

[Mr Will Power joined the meeting].

Questions were raised regarding the lower % profit figures year on year, for example in relation to reduced lettings with WSM as well as in Adult Ed where the loss of hobby courses during lockdown meant that income was insufficient to cover overheads. A profit streams analysis in Adult Ed would inform a new balance of courses whilst retaining a community edge.

2408. **Report from the Estates Sub-Committee (ESC)**

Papers: ESC minutes of 14th June 2021; Health and Safety Minutes and report of 12th May 2021

Members noted the verbal update from the Chair including the following key points with ref the **Shelley Building**:

- i) The recent **meeting** had been the **first with BAQUS as project manager and quantity surveyor (QS)** as well as HNW Architects;
- ii) **Key actions agreed** including:

- chasing DfE for news on the **request to move the TLCF grant to the next wave of funding**, and
 - following the subsequent design team meeting (DTM) **an update to the programme and costs** given the time passed since the first estimates and growing evidence of materials shortages causing price increases. The FD warned too of **the need for a watching brief on VAT** in case the zero VAT status for new builds was under threat;
- iii) The intention to **tender for a hybrid design and build project with a traditional steel frame** and tender documentation review delegated to the ESC Chair, co-optee and Principal;
 - iv) Further examination of the **professional services** proposed by BAQUS;
 - v) Detailed **risk register** being drawn up;
 - vi) Discussion also of **monitoring of project and the contractors** – including KPIs to monitor BAQUS to add to their PPR at end of project.

The Principal commented that it was not unrealistic to **anticipate the Shelley Building might cost £3m plus furniture, fixtures and fittings**. However, the prospect of a sympathetic hearing to the Wave 3 bid looked promising.

The subsequent **design meeting** had also looked at the **café site**. There was encouraging news on being able to open up the existing classrooms as hoped, owing to the existing science building steel frame. **Further scoping and refining the cost estimate (currently £400k)** for this associated project had been agreed.

Members welcomed the proposed **regular performance monitoring of BAQUS** and proposed RICs contract as well as recognising the incentive of future opportunities if successful.

The key area for approval by the F&GP Committee concerned the budget and contractors for the security fencing following the successful CIF bid. Members noted that the **delayed DfE decision** would not allow the work to go ahead in the summer as hoped, with the **February half-term and Easter breaks now more feasible**. The delay **also had implications for costs** since the quotations provided in January were valid only to the end of May amid market reports of a potential shortage of materials. As a result, some allowance had been made in the *security fencing budget* approval figure but this might need *to be refined further* although the College contribution would be only the sum in excess of the £100k grant approved. *(Action: Deputy Principal)*

Resolved: the F&GP Committee approved in principle, subject to any necessary budget refinement:

- i) **An overall budget of £125k incl VAT for the security fencing project with a £25k contribution from the College and £100k from the ESFA;**
- ii) **Appointment of A&M Fencing Limited as the principal contractor:**

In the absence of ESFA funding for the **boiler replacement**, members sought assurance that the College could **await a further bidding round**, which subject to the continued availability of spare parts was the case. The College would also be exploring the prospects for **future expansion bids** drawing as far as possible on the experience of the one recent successful project.

Reports from the **Health and Safety Officer** and meeting were noted.

2409. Policies

Papers: Pay Policy, Staff Overseas Travel Policy, Copyright Policy

The Chair reported on her proposal to the SMT that the scope of the Copyright Policy be refined to clarify its application to governors, contractors and agency staff.

Recommendation: That the Governing Body approve the Pay Policy at their next meeting.

Resolved: The F&GP Committee approved the Staff Overseas Travel Policy and the Copyright Policy (subject the clarification on the latter's scope).

2410. Community update

Papers: SMCG meeting notes; Complaints report

a) Meeting of Staff Management Consultative Group

Members noted the SMCG (union group) meeting record with discussion focussing on the Covid situation. The Principal thanked the NEU representative for his well-informed contributions to discussions. He hoped that their might be broader union representation in the future.

- b) Complaints report:** Members noted the **one formal complaint** concerning admissions and other issues arising from the previous year's centre assessment grade processes during lockdown. The Principal sympathised with the regret expressed that onsite Welcome Days had once more been cancelled owing to the pandemic whilst hoping that a good quality online experience would be better than a significantly compromised onsite experience. Most local colleges had taken a similar decision following an initial hope that the events would proceed. Alternative tours during the summer break had been considered but were not considered feasible given the numbers involved and the pressures of exam results and enrolment. Additional time for 'Ready to learn' induction would seek to address the reduced early exposure.

2411. Report from the Remuneration Committee

The Chair reported on the incomplete decisions on pay and appraisal at the mid-June meeting. As such the full cost implications would not be known until the meeting of the Governing Body following an additional Remuneration Committee meeting on 12th July. The Finance Director was being kept informed of progress and both he and the Committee membership were confident that the proposed budget was sufficient to cover these costs.

2412. Financial Health

Papers: Financial report for the period from 1st August 2020 to 31st May 2021; ESFA dashboard

- a) Management accounts:** Members noted that the **financial situation was healthier than expected to end May**. There was a healthy cash balance. Overall, the College remained **on track to improve on both the budgeted and forecast surplus for the year**.

Recommendation: That the Governing Body approve the Management Accounts to end May at their next meeting.

- b) The ESFA Dashboard** report was also noted.

The Principal reported too on the College's **new annual strategic meeting with the ESFA and FEC staff**. **Interest** had been shown in the College's **financial forward look and property plans** as well as the risks associated with the presence - or absence - of an **international cohort**. Members were content with the policy to diversify. The Chair of the Governing Body commented too on the increased interest in **College governance**.

2413. Provisional Outturn and Two Year Forecast

Papers: Forecast Outturn 2020-21, Budget 2021-22 and Forecast 2022-23; Capital Budget 2021-22

The Finance Director explained that the **forecast outturn for the current year 2020-21** was a surplus of £108k, comfortably ahead of both the original budget and the forecast made at the half year, end of January 2021. The **budgeted surplus for 2021-22** was healthy though included a possible donation from the Trustees. The College had also assumed no further increase in the basic funding rate for 16-19 students in 2021-22.

The forecast surplus for 2022-23 was £19k but assumed that the ESFA would continue to fund the employers' superannuation for Teacher's Pensions to the tune of £300k.

Using the ESFA's financial model this indicated an ESFA assessment of financial health of 'Outstanding' for both the current year and the two subsequent years. 2020-21. Forecast end year cash balances would reduce by c. £1.7m over the next two years owing to capital projects.

Members asked **questions** about:

- i) The challenging **underlying situation going forward** particularly were no further support e.g. on pensions forthcoming or pay rise assumptions were too modest. There might then be an impact on the College's financial health grading;
- ii) **International and non-EU student enrolment** - assumptions and levels of confidence - given the Covid and travel challenges. The Deputy Principal reported on the additional marketing efforts and diversification to Switzerland and Japan with the number of deposits overall up from last year. More open travel from the end of August would however be essential in helping restore confidence in some forthcoming stability. Fee increases provided some budgetary relief;
- iii) The impact of the property strategy on the **cash position** seeking **a clearer note on the allocated amount and the prudent threshold for unallocated cash**. It was agreed this was *one of a handful of possible key markers (with minimum cash days) which should be evident to all members (Action: Finance Director)*. The FD explained the ESFA's extensive cashflow reporting requirements which helped underpin such reporting. The Principal reported further that the forthcoming meeting with the Trustees and subsequent representations to the Mercers' Company as well as greater clarity on Shelley and café costs would all help fine-tune the cashflow position;
- iv) Additional **disadvantage funding**, up c. £50k from £12k.
- v) **'SFA and recurrent funding'** line with the suggestion that, with no current apprenticeships, *this -and indeed the transitional funding line - could be removed. (Action: FD)*.
- vi) The **Capital budget**, with clarification that success in the TLCF bid invalidated any College case for the subsequent post-16 capacity fund. In this respect the various funds and their untimely phasing made it difficult for colleges to secure funds in the most efficient and appropriate way;
- vii) Any outstanding financial issues with regard to the GB1 Building;

The Finance Director confirmed the **Financial Commentary** would need some fine-tuning prior to approval at the Governing Body meeting following some additions owing to late requests for information.

Recommendation: That the Governing Body approve the budget 2021-22 (including capital budget), financial forecast 2022-23 and explanatory Financial Commentary (subject to refinement).

2414. Marketing Strategy

Paper: Marketing Strategy 2020-23

The Deputy Principal explained that the new strategy was aligned with the College Strategic Plan 2020-23 with its key strands to *Grow* (domestic and international student numbers), *Innovate* (through a new Collyer's Online product for the international market) and *Preserve* (whilst achieving efficiencies across the cost base).

Questions were raised to include the:

- i) Possibility of quantifying **likely market share** of demographic growth. SMT expressed caution about notional targets in a competitive market noting however the broader 5% growth target and Collyer's reputation providing strong leverage;
- ii) Likelihood of **new competition** from additional 16-19 provision in the area;
- iii) Progress in developing **Collyer's Online**. The Principal commented on the lessons learned over the past year and precedents of a two-year development timeframe to produce a product with appropriate curriculum and pastoral content and marketing support. It was hoped to develop ideas in the coming year with a launch possibly in 2023;
- iv) Possibility of *greater reference to the context of the global pandemic to include, for example, its opportunities or threats*, given its impact seemed likely to be more prolonged than originally anticipated (including at the time of drafting). **(Action: Deputy Principal and DoAaM);**
- v) **Levels of investment** which might be required to deliver the strategies identified and their inclusion in the documents **(Action: Deputy Principal and DoAaM);**

Resolved: The F&GP Committee approved the Marketing Strategy subject to the suggested amendments (see action points above).

2415. Digital Strategy

Paper: Digital Strategy 2020-23

Members welcomed the **more strategic and accessible approach** and coherence with other College strategies. Development of an intuitive admissions and transition platform would support growth, emerging technologies were being increasingly deployed to enhance learning whilst due attention was being paid to securing data and GDPR compliance.

One *immediate minor amendment* to the strategy was proposed *to ensure consistency with financial health aims*. **(Action: Clerk)** Going forward, it was agreed that, for some aims, *the performance indicators might be further refined (e.g. to include measures on usage and efficiency in addition to the current end-user survey feedback)*. **(Action: Deputy Principal and DoIS)**. The DoIS suggested that recent experience with staff suggested that an increased use of docking stations with larger screens might be advantageous. He commented on the significant progress made by the development teams in moving towards a more paperless environment.

The Chair thanked the DoIS and his team for all the work completed, in train and in prospect.

Recommendation: That the Governing Body approve the Digital Strategy at their next meeting subject to the minor amendment.

2416. Student Financial Support: Annual Report 2020-21

Paper: Student Financial Support Annual Report 2020-21

Members thanked the VP (Pastoral) for her **very clear and comprehensive report** providing a broader picture of the financial support available to students whilst maintaining the information on the Vulnerable Learner Bursary and Discretionary Bursary Fund (DBF).

The VP (Pastoral) explained some forthcoming changes to the DBF in response to **ESFA guidance requiring a more bespoke evidence-based system for payments**. As such the College had purchased PayMyStudent software and thanks was owed to Tracey Gibb for the time spent in setting it up, although efficiencies would be gained once completed. On average students were expected to receive slightly less support although those further afield or where they had substantial equipment/ materials needs might do better. A higher income threshold also meant there was potential for an increase in the number of applicants.

Members noted the additional funding for disadvantaged students such as free school meals and travel alongside the more generally applicable financial support from the College for e.g. the Worthing Bus, counselling and the refectory.

2417. Amendments to the Financial Regulations

Paper: Updates to Financial Regulations and Procedures June 2021

The FD explained the isolated change in response to a suggestion from the external auditors to clarify College procurement policy where exceptions to alternative quotes might be possible. The ESC Chair suggested some *further consideration of the reference to 'Governing Body' to ensure consistency with the delegated thresholds for financial approvals*. **(Action: FD)**.

Resolved: The Committee approved the change to the Financial Regulations subject to the action point above.

2418. QIP update

Paper: QIP Update Summer term 2021

Members welcomed the clear reporting of progress against the Business and Community sections of the College QIP. One minor *suggestion was made for future reporting inviting similar headings (or emboldened text) under Aim 4 as for Aim 3*. **(Action: VP (Curriculum))**

2419. Any Other Business None

2420. Annual Meeting assessment

Paper: Committee SAQU

Members were positive about the quality of the papers provided for the meeting. The Chair thanked all present for their careful preparation for the meeting and the comments and questions. Pending the annual SAR questionnaire, the Clerk welcomed any comments on the Committee's performance over the year and/ or any changes required to the ToRs by e-mail.

2421. Date of next meeting: Tuesday 16th November 2021 at 16.30 (tbc)

The meeting ended at 16.56.

Chair

Date

12/07/21

NCW