

THE COLLEGE OF RICHARD COLLYER
MINUTES OF
THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING
HELD ON TUESDAY 16th NOVEMBER 2021 at 16.30

Present: Mr Stephen Avery, Mrs Ann Donoghue, Mr Dan Lodge, Mr Graham Lawrence, Mr Paul Mittendorfer, Mr Will Power, Dr David Skipp, Mr Dominic Wakefield

Apologies received: N/A

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

In the Chair: Mrs Ann Donoghue

The Chair welcomed Mr Avery and Mr Wakefield to their first meeting as co-optees to the Committee. Members confirmed they were content with the proposed consent items and focus on key strategic agenda items (5-8 and 11).

2422. **Declaration of interests** None.

2423. **Minutes** of the meeting held on 29 June 2021 were approved.

2424. **Matters arising**

2408: The Deputy Principal (DP) reported that the **budget** of £125k incl VAT for the **perimeter fence and new entrance gate** remained valid as reported to the ESC on 11th October.

2413v: The Finance Director reported that he had removed the unnecessary lines from the budget and forecast as discussed at the last meeting.

2414: The DP reported on the amendments to the **Marketing Strategy** to reflect the ongoing disruption of Covid and need therefore to remain reactive to changes in government guidelines, international travel restrictions, and the practicality of face to face transition and marketing events.

With regard to the level of investment required, this related principally to Collyer's Online which would not come in scope in 2021-22 for which the current budget was sufficient. Members suggested *some greater identification of the budget required to fulfil the strategy going forward* (similar to the approach in the Property Strategy). **(Action: DP and DOAaM)**

2415: The Clerk confirmed that she had made the amendment to the **Digital Strategy** with regard to the financial health statement prior to Governing Body approval.

2417: The Finance Director explained that following further consideration of the **procurement provision in the Financial Regulations**, it was proposed that the Governing Body reference be replaced with 'the F&GP Committee' reflecting the need for independence from the Principal, albeit within his delegated limit. The Principal would provide this for purchases by the Finance Director.

2418: QIP consistency: The papers under agenda item 7 were now consistent with emboldened titles. The Principal had identified a further anomaly, also now addressed.

2425. **KPIS (Business)**

Paper: KPI health check

The Deputy Principal explained that the status of **enrolments for 2022** would be clearer in January as an indicator of lagged funding for 2023/24. He was confident the College would meet its targets of 2210 domestic and 66 international students given recent growth in spite of flat line demographics. Given the strong correlation between growth and access to schools, it was encouraging that face-to-face visits had now resumed. The ambition was to further grow the college in terms of domestic enrolments at 5% pa to 3,000 in 2030.

The **surplus** at end September was in line with budget and £33k ahead of the same time in the previous year. **Lettings income** and profit was in line with the previous year but slightly below budget at present, although the current level of enquiries was encouraging.

Adult education was showing good income growth due mainly to the reinstatement of recreational courses (largely cancelled in the previous year owing to lockdown). Profit was £11k ahead of the previous year.

International income was slightly up on the previous year owing to a fee increase for first year students though currently 8% below budget. Profit was modestly ahead of the previous year. Personal relationships had been important in forging new links and could save on commission payments. However, the pandemic and homestay capacity were constraining growth.

2426. **College Strategic Plan 2020-23: Mission, Vision and Values**

Paper: Explanatory summary

The Principal explained that, as the College moved towards the start of a 10 year countdown to the quincentenary in 2032, it was timely for the whole college community to review its mission, vision and values to be confident about purpose and identity. He set out the plan to engage the whole college community in an 8 month, 3 stage period of consultation starting with the Planning Day discussions on 30th November 2021 and culminating in GB approval in July 2022. Noting the intention to include partner schools and current parent focus groups, members explored the scope for engaging future parents through such discussions.

(Action: i) Principal and DP to consider next stage of consultation with parents and students, and ii) Clerk to send values survey to governors and co-optees and invite them to Planning Day)

2427. **College SAR/QIP**

Paper: College SAR 20-21/ QIP 21-22

The Principal explained the approach to sharing the SAR/QIP scrutiny between the F&GP and Q&C Committees. The DP explained that the **Business and Operations section** addressed how to grow domestic enrolments and new business development (lettings, Adult education and internationals) in similar proportion. It also focused on further IT improvements and increasing student social space during the pandemic. The **Community section** covered celebrating the College's heritage, enhancing environmental awareness and improving links with the local community, as well as broadening partnerships and addressing staff safety and development.

In response to questions, members noted the:

- Reduced surveys and varying responses from students and parents;
- Disproportionate pressure on staff from some elements of the international provision necessitating a rebalancing to longer courses;
- Proposed attention to *monitoring of QEII students to ensure sufficient completion of qualification courses. (Action: Principal to pick up extra detail with VP Curriculum.);*

- Challenges and risks of the China market suggesting the retention of Hong Kong where there were established agents but looking too at other markets and types of offer.

2428. **Report and Financial Statements (FS)**

Paper: Report and Financial Statements 2020-21; Audit Findings Report and Going Concern considerations; ESFA letter re Financial plan and dashboard

The Chair drew attention to the additional focus on 'going concern' and the questions shared by RSM to assist governors.

Members noted that there had been a satisfactory operating surplus of c. £483k as reported in the management accounts with the pandemic helping to reduce costs. The audited surplus for the year was £122k, a comfortable position.

Following discussion of a note about staff costs, it was proposed that this might better appear in the members' report at the top of page 7. The 'going concern' statement and approach to reserves would also be expanded to include the issues discussed as covered in the RSM report (Action: Finance Director).

The College had a cash balance of £5.5 million at 31 July 2021 and considered it prudent to hold a cash balance of this size given short term creditors of £1.6 million and a longer term loan of £0.437k. This left a cash position of c. £3.46 million from which a significant amount of cash would be needed for the proposed Shelley Building.

Based on the calculated grade in the CFFR report submitted to the ESFA in July, the indicative financial health grade was 'Outstanding' but a full opinion would be given post finance return.

Recommendation: That the Governing Body approve the final Report and Financial Statements at their next meeting if at all possible (subject to any fine-tuning following the relatively late receipt of the current draft and the views of the Audit Committee).

2429. **Management Accounts**

Paper: Financial report for the period 1st August to 30th September 2021

Members noted that the **year had started reasonably well with a surplus of £37k** at 30 September 2021, £50 ahead of budget. Income was £47,903 ahead of budget in spite of a shortfall in refectory income. (Given significant increases in the price of food, price increase from January were proposed.) Payroll costs were under budget by £35,515 which appeared to be a trend. Non-pay expenditure was over budget by £83,368 but was generally positive as this was partly due to timing differences.

The Chair commented on the need to understand the differences in figures in various financial documents, often owing to the difference between actual and lagged numbers for funding. Members also sought clarification of the month on month projected cashflow in relation to the forthcoming capital projects given the anticipated volatility during the build.

Recommendation: That the Governing Body approve the first quarter Management Accounts (once prepared).

2430. **Treasury Management Report**

Papers: Treasury Management Report 2020-21

Members questioned whether there was *a more appropriate target for cash days in hand* (CDIH) e.g. to be at the lowest anticipated in the year rather than the standard sector minimum of 40 and a median average of 75 (as shown in the ESFA dashboard). They noted *this figure was included in the budget and associated financial commentary* in the summer

term and *agreed this could usefully be carried across to the KPIs against which to report* from the coming year. **(Action: Finance Director).**

2431. **Report from the Estates Sub-Committee (ESC) (and Health and Safety Committee)**
Paper: Minutes of the meeting 11th October 2021 (with access to ESC papers).

The Principal explained that this term marked a critical moment in decision-making on two key phases of the agreed Property Strategy – the **Shelley Building and the Café**. The Shelley was now fully designed and almost all funding in place with the design and tendering pack due to be signed off by the ESC in late November. The Café would be fully designed by early December and be appended to the same tender process. The contract for the **perimeter fence** had been awarded and work was due to start soon with completion by Easter.

Endorsement of the budgets for the Shelley and the Café projects was sought in the meeting with an updated budget of £3.25m. This higher sum than the £2.5m originally approved at the time of the bid included a cost update and an enhanced contingency given the uncertainty in the current market. Members recognised that the costs would not be clearer until the bids were received end January.

The Principal explained too the proposed **sources of finance** to include the DfE's TLCF funding, a College and Trustees' contribution with some further clarification and certainty yet to be achieved with regard to the Endowment's ability to help in terms of releasing both the capital gains on the investment funds and the potential legacy. Further borrowing had been explored as a fallback but was complex given the ownership of the land by the Trustees. As such a more feasible alternative might be to postpone one or other of the two main projects. BAQUS had been working on a **phased approach** to allow progress first on the **Café (April to August)** with early returns possible on the investment. Following initial groundworks in April, the **Shelley build** might then follow a hiatus to avoid exam disruption, allowing further finances to become available whilst still enabling **completion by Spring 2023**.

Members discussed approval in principle confirming this would be **contingent on a paper clarifying the funding options with a detailed cashflow**. Full approval could not be given until the tenders were received and the funding confirmed so as to be sure of affordability. **(Action: Principal and Finance Director).**

Endorsement of the plan to resubmit a **CIF application to replace the main college boiler** by the deadline of 9th December was also sought. The CIF 22/23 eligibility criteria had now been published and applications were required by early December. Members noted the need for a modest contribution from the College of c. £20k which should however also be built into the cashflow model.

Recommendation: that the Governing Body approve:

- a) **Budgets in principle (subject to confirmation of the provisionally agreed funding) of:**
 - £3.25m for the Shelley Building, and**
 - £0.5m for the Café,**
 - With further discussion of approval in the Spring once tenders were received;**
- b) **Submission of a further CIF bid for boiler replacement.**

2432. **Policies**
Papers: Health and Safety, Fire and Site Security Policies 2021; Lettings Policy

Members noted that the key policy changes reflected:

- **H&S Policy:** The addition to the of a **Lockdown protocol** (Annex H) as well as updates to first aiders, fire marshals and deputies to reflect recent staff and room changes;
- **Lettings Policy:** Some greater delegation of more detailed operational matters to the SMT whilst retaining F&GP oversight of policy, principles and headline figures. It was also proposed to move to summer review in time for the new academic year.

Members asked questions about communications in the event of a lockdown and the specialist advice received.

Resolved: The F&GP Committee approved the generally minor revisions to the Fire Safety, Site Security and Lettings Policies.

Recommendation: that the Governing Body approve the changes to the Health and Safety Policy as a consent item.

2433. **Community Update**

Papers: Additional payments proposal, SMCG meeting notes of 24th September; Staff satisfaction survey

Members noted the generally self-explanatory content of the papers whilst confirming that the **additional payments proposal** would impact on pensionable pay and be payable from 1 September. It would however, like salary scales, have a link to progression and experience in the role and a satisfactory appraisal. **(Action: Principal to check any contract implications with HR).** Members understood that the proposal was affordable given the lower than budgeted pay rise.

Recommendation: That the Governing Body approve the additional payments proposal and associated amendments to the Pay Policy.

Members endorsed too the proposed timing of the additional bank holiday for the Queen's Platinum Jubilee to ensure the least disruption to students.

Recommendation: That the Governing Body approve the Jubilee day to be on Friday 1st July.

Finally members noted the notes from the most recent Staff Management Consultation Group (SMCG) meeting and the generally very positive results from the latest Staff Satisfaction Survey.

2434. **Any Other Business:** None

2435. **Meeting assessment**

The Chair thanked the Principal and SMT for the comprehensive and clear information to facilitate decision-making. The Clerk confirmed that she did seek to remove the back pages for all but the first top sheet to help keep papers to the bare minimum.

2436. **Date of next meeting:** (provisional date of Zoom meeting on Wednesday 16th or Thursday 17th February ref Shelley and Café) plus **Tuesday 8th March 2021 at 16.30.**

The meeting ended at 18.30

Chair

Date