

**College of West Anglia
Minutes of
The Finance & General Purposes Committee
2 March 2022
8.30 am
Remote Meeting – Microsoft Teams**

Present	Hein van den Wildenberg	Governor (Chair)
	Alan Measures	Governor
	David Pomfret	Governor (Principal)
	Gary Webb	Governor
	Donna Woodruff	Governor
Attending	Paul Harrison	Vice Principal Corporate Services
	Ruth Harrison	Vice Principal Curriculum & Quality
	Rob Petto	Assistant Principal – Funding & Performance (part)
	Michelle Blake	Marketing Manager (part)
	Sharon House	Management Accountant
	Paul Smith	Head of Employer Liaison, Partnerships and Commercial Training (part)
	Adam Thompsett	Head of Property Services (part)
	Stephen Halls	Clerk to the Corporation

1 Apologies

There were no apologies for absence.

2 Declarations of Interests

There were no declarations of interest to note.

3 Minutes of the previous meeting – 17 November 2021

The minutes of the meeting held on 17 November 2021 were agreed as being an accurate record.

4 Matters Arising

The progress against the outstanding matters from previous meetings was summarised in the report for Item 4. The Chair noted that the item relating to the request for occupancy levels within property reports would be discussed under Item 7 on the agenda, Property Strategy 2020-23.

The Vice Principal Corporate Services provided an update on the recruitment campaign for the post of Head of Finance. The campaign in November found 2 possible candidates for the role, neither of whom were then interested in taking their application forward following the interview process. Interviews following a second campaign had taken place this week, with one candidate unable to attend due to Covid reasons but would be interviewed remotely on

Teams in due course. The Vice Principal apologised to the Committee for the late distribution of some of the reports for this meeting, and the withdrawal of one paper, due to the time pressures being experienced within the Finance Department at the current time. The Vice Principal reported that Sharon House, Management Accountant, attending the meeting today, was covering some of the duties of the Head of Finance. The Chair thanked Sharon House and the Finance team for their increased efforts at the current time.

Paul Smith joined the meeting at 8.35 am

5 Sub-contractor Partnership Activity – Mid-year Review

This item was deemed ‘Confidential.’

Paul Smith left the meeting at 8.53 am

Michelle Blake joined the meeting at 8.53 am

6 CWA Website – Annual Review

The Marketing Manager reported that the hosting and security of the College’s website service had been reviewed without the need for updating at the current time. The development of the website continued to progress with more features now being used. The benefit of the Sharpspring marketing tool was noted, in that it collected anonymous browsing data from users to generate appropriate automatic communications. The College’s CIS department was working with Qlue (Sharpspring’s supplier) to identify from the data those individuals who did not enrol on a course to allow for future follow-up actions.

The website was greatly used during the pandemic by prospective students in gaining information about the College and its courses, however, more recently, open days and events were returning to the 3 respective campuses. The Marketing Team and Faculty staff were now updating and recording new video segments to promote each faculty and course on the website.

The Principal queried the demographic data available within the appendix, noting that there was a decline in website usage by those over 25 years. The Marketing Manager considered that the Adult Education offer needed some review to generate more interest and visits to the website. A focused AEB event was planned for the end of March 2022 with targeted digital advertisements being placed now highlighting particular courses. The Vice Principal Curriculum & Quality provided a brief update on the development of the adult offer, particularly with regard to maths, English, ESOL and ‘routes to learning’ options.

The Marketing Manager noted that the demographic statistics did not report on those under the age of 18, where Google was unable to collect data from this age group.

The Chair asked about the Paid Searches as detailed in the appendix section under Routes to the Website. The Marketing Manager explained that these related to the advertisements that were placed at the beginning of Google’s search results, paid for by the College; the manager added that these advertisements were now being managed directly by the College, rather than placed via an agency. This method of advertising would be used when launching a new course.

Governors asked about cyber security, particularly in relation to the war taking place at the current time between Russia and Ukraine, and the threat this could bring to business and IT systems in the UK. The Marketing Manager explained that this was managed by the College’s IT Services department (RM) under the supervision of the Assistant Principal Funding & Performance. The manager was aware that the college systems were regularly checked, tested, and updated against possible cyber-attacks, both internally and externally.

The Chair thanked the Marketing Manager for the useful update.

The report was noted.

Michelle Blake left the meeting at 9.06 am

Adam Thompsett joined the meeting at 9.06 am

7 Property Strategy 2020-23 – Annual Review

This item was deemed ‘Confidential.’

Adam Thompsett left the meeting at 9.34 am

8 Management Accounts – December 2021

The Vice Principal Corporate Services reported on a downgrading in the forecast surplus from the budgeted value of £355k to £69k, with the main areas of concern relating to AEB income, reduced nursery income, payroll costs and property maintenance costs. The Vice Principal assured the Committee that the overall financial health score remained as ‘Good’ and that cash balances were healthy at £8.4m.

Governors reviewed the accounts and asked if the current £123k negative variance for 16–18-year funding would continue. The Vice Principal advised that this underachievement would recover before the year end and that the full budget of £14.8m was expected to be achieved.

Governors reviewed the contribution analysis and noted that for most areas the level of contribution was higher than that seen in previous years. The Vice Principal considered that this was due to increased analysis and understanding of data between the management accounts and the curriculum planning software, where data was now more refined, and items of income and expenditure were more accurately allocated. Governors observed that there was no contribution value displayed for English and Maths as income budgets had not been built into these 2 areas. The Principal explained that these 2 departments supported the students of the main faculties, and it was the faculties that received the income budgets for the year. In time, the cost/income allocations could be further analysed to reflect the cross-charging of activities between departments and faculties to provide more detail. Governors asked about the expected contribution rate of teaching areas. The Vice Principal Corporate Services confirmed that the expected contribution rate was 55%. The Vice Principal Curriculum & Quality added that staff would continue to refine the accounting and curriculum data to provide more detailed and accurate information.

Governors reviewed the balance sheet and noted an increase of £1.4m in tangible assets. Governors asked to see an update of the capital programme at the next meeting.

ACTION-CLERK/VPCS

The Chair enquired about the possible failure for the College to spend its Catch-Up funding allocation and the effect this would have on the forecast surplus. The Vice Principal Curriculum & Quality explained that the allocation was used to pay for additional resources (teaching hours) to provide additional support and tuition to those students who had been disadvantaged in their studies due to the Coronavirus pandemic. The Vice Principal Corporate Services advised that the income was being released into the accounts as expenditure was incurred. The Management Accountant added that the full year budget allowed for £300k income against £150k expenditure, and so the margin of £150k, if not fully released, was a concern for the bottom line. The Chair asked for this possible risk to be highlighted in the accounts when they were next presented to the Board. **ACTION-VPCS**

The report was noted.

9 Budget Reforecast 2021/22

This item had been withdrawn from the agenda.

10 Medium-Term Financial Plan

This item was deemed 'Confidential.'

Rob Petto joined the meeting at 9.53 am

11 Funding Position and Data Control

The Assistant Principal Funding & Performance reported that notification had been received of a reduction in T-Level funding of approximately £8,000 due to lower-than-expected learners on the T-Level courses. On a positive note, for 2022/23, confirmation had been received that the allocation for 16-18 study programmes would be £15.656m, some £40k more than had previously been expected.

The Assistant Principal reported that the ESFA had issued a directive requesting colleges to provide an additional 40 hours teaching to each learner; this would result in pressures with regard to staffing and teaching, resources, and rooms. The Principal added that currently most teaching staff were fully engaged and that there were limited hours available within the existing staffing complement to provide the increase in hours required for all learners. Governors were concerned about the repercussions should the College not meet the new requirement. The Vice Principal Curriculum & Quality advised that she would be working closely with the Assistant Principal in the development of the curriculum strategy for the next academic year which would reflect the requirement for the increased hours of teaching and identify the extent of additional recruitment needed to deliver this. Governors noted the planning assumptions, shared by the Assistant Principal.

Governors enquired about the current and future demographics in relation to enrolments, noting that there had been an expectation for an increase in 16–18-year students for the current year, when in fact there had been a slight reduction. The Assistant Principal reported that this situation was being discussed across the sector with further investigation to come. The Vice Principal Curriculum & Quality commented that the local jobs market was quite buoyant and that school leavers were being attracted into the workplace; further, some students had left the College so far this year due to relocation or at the college's request (poor behaviour and low attendance). To offset this slightly, the Principal reported that there had been an increase in the uptake for apprenticeships within the 16–18-year age group.

The report was noted.

12 IT Update Report

The Assistant Principal Funding & Performance advised that Raza Tahir, the new Head of IT Services, had recently commenced at the College. The Head of IT would now begin work on planning for the change in services from August 2022, bringing back in-house the IT provision but engaging third-party providers for the specialised areas of work. The handover from RM was underway and was progressing as planned with no problems encountered to date.

The Chair asked about the College's gradual move to more cloud-based systems. The Assistant Principal indicated that there were benefits to gain in the future with providers

supplying the support and updates required rather than College staff; the additional revenue costs of cloud-based technology would be offset against the college's own staff costs and capital costs (IT servers, networks etc)

The report was noted.

Rob Petto left the meeting at 10.19 am

13 Contracts £100k-£500k & Single Payments > £1m

There were no items to note on this return for this meeting.

The report was noted.

14 Strategic Targets 2021/22 Progress Review

The Chair asked for further information on target 2.8 - Commercial Income, which was making reasonable progress but was 23% behind target. The Vice Principal Corporate Services advised that this sub-heading included commercial training operations and income from the Novus Restaurant and Hair & Beauty Salon; it was expected that commercial training and various short courses would boost this target in the spring term.

Governors asked about target 4.12 – Letting of Facilities, which was making reasonable progress but was not indicating that the target would be achieved. The Vice Principal explained that some lettings had taken place but overall, there had been a drop in room bookings as many organisations were now regularly holding remote sessions (Teams/Zoom) for their respective meetings. The Principal added that this had been noticed across the sector, particularly where colleges had large conference facilities which were hired out during non-teaching times.

The next item was deemed 'Confidential.'

The report was noted.

15 Any Other Business

Staff Costs as a Percentage of Income Ratio - Mr. Measures asked if management had considered undertaking an exercise to remove those pay costs which could be subcontracted out to third-party providers (e.g. catering, cleaning, IT, payroll, financial services, HR) to then ascertain the effect this would have on reducing the staff cost ratio to a lower value and more in line with the guidance suggested by the FE Commissioner. The Principal advised that management had not considered carrying out this exercise and would not be able to undertake it at the current time if requested due to current work pressures. Further, the Principal reminded the committee that there was no longer a requirement for this ratio to be achieved as all other financial indicators were positive and the FE Commissioner was satisfied that it had no issues with the financial management of the College.

16 Chair's items for briefing to the Corporation

- i. Recruitment campaign update for the Head of Finance position. The Committee's thanks were noted for the Finance team for covering during this interim period.
- ii. Mid-year review of subcontractor activities.
- iii. Annual review of the website.
- iv. Property strategy review, including discussions on an overspend on the School of Nursing Studies Building and issues regarding the tower block roof on the King's Lynn

campus. A review of the overspend on the School of Nursing Studies Building would be undertaken later this financial year. A new strategy would be due for next year.

- v. Management Accounts and Medium-Term Financial Plan – the current year forecast surplus had reduced from £355k to £69k, with the major variances caused by a reduction in both AEB income and nursery income, plus increased expenditure for payroll and property services costs.
- vi. IT Update report which included an update on the progress of bringing the externally managed service in-house by August 2022 and the commencement of the new Head of IT Services.

17 Date and time of next meeting

Wednesday, 22 June 2022, 8.30 am.

The meeting closed at 10.30 am