

The College of West Anglia
Minutes of
The Finance & General Purposes Committee
27 January 2021
8.30 am
Remote Meeting – Microsoft Teams

Present	Andrew Cave	Governor (Chair)
	Ray Harding	Governor
	Alan Measures	Governor
	David Pomfret	Governor (Principal)
	Gary Webb	Governor
	Donna Woodruff	Governor
Attending	Paul Harrison	Vice Principal Corporate Services
	Virginia Grace	Head of Finance
	Ruth Harrison	Vice Principal Curriculum & Learning
	Rob Petto	Head of Funding & Exams (part)
	Paul Smith	Head of Employer Liaison, Partnerships & Commercial Training (part)
	Stephen Halls	Clerk to the Corporation

The Chair welcomed Virginia Grace, Head of Finance, to her first meeting of the Finance & General Purposes Committee.

1 Apologies

There were no apologies for absence.

2 Declarations of Interests

There were no declarations of interest.

The Chair noted that the Reforecast report, expected for this meeting had been withdrawn from the agenda. The Vice Principal Corporate Services apologised that the reforecast exercise had been delayed due to a number of factors and confirmed that it would be presented at the Committee's next meeting in May.

3 Minutes of the previous meeting – 18 November 2020

The minutes of the meeting held on 18 November 2020 were agreed as being an accurate record.

Ray Harding joined the meeting at 8.35 am

4 Matters Arising

The progress against the outstanding matters from previous meetings was summarised in the report for Item 4.

Governors asked for an update on the capital programme and were particularly concerned about the deadlines for which the recent grants needed to be expended by, noting that the Clerk had circulated a summary of the capital programme to committee members the previous day. The Vice Principal Corporate Services advised that in order to gain operational benefits the College would be carrying out approximately half of the projects in the summer term, which exceeded the deadline of March 2021; however, ESFA had indicated that it would be flexible with regards to this date. Governors enquired about the resources the College had in order to manage the projects. The Vice Principal advised although the project manager's post remained currently vacant, the College had engaged a consultant on a temporary assignment to work on some of the projects. Governors asked about the expenditure earmarked for the new T-Levels courses; the Vice Principal advised that the deadline for this particular fund was March 2022.

Governors were interested in how any climate change requirements affected the College. The Vice Principal explained that the front block boiler was in need of replacement but that this would be replaced with a similar gas boiler as the cost of replacing the entire system for a new heat source was prohibitive, adding that other buildings within the College's portfolio did make use of renewable energy sources. The Gas Building and Gas Equipment projects as listed in the programme related to the commercial training teaching area and not to heating systems within the College. Governors commented on the Government's wish to reduce the use of gas across all areas. The Vice Principal had spoken with curriculum areas who were aware of the need to prepare for new heating systems, develop future skills and how to deliver the required training.

The Vice Principal advised that further funding initiatives had recently been announced by the Government with bids for building works and IT infrastructure to be submitted by 15 March 2021. Match funding of 50% would be required for any schemes submitted.

Governors asked if there was a requirement for colleges to calculate energy efficiency ratings for its buildings. The Vice Principal was not aware that there was a requirement for this and as yet, had never been asked to submit such information when completing returns to the various regulators.

The Principal reported that he had met with the Cambridgeshire & Peterborough Combined Authority (CPCA) the previous day (26 January 2021) to discuss possible future projects at the College, and particularly at the Wisbech Campus, where the construction facilities were in need of a major refurbishment in order to deliver modern methods of construction to learners. The Principal would be investigating the possibility of the CPCA being able to contribute the 50% funding as the College's match funding to the new capital funding grants recently announced.

Paul Smith joined the meeting at 8.47 am

5 Sub-contractor Partnership Activity – Mid-year Review

This item was deemed "Confidential."

Paul Smith left the meeting at 9.19 am

6 Management Accounts – November 2020

The Head of Finance reported that the accounts were showing a surplus to the end of November 2020 (£806k). The current forecast deficit for the year of £26k compared favourably against the budgeted deficit of £166k. Activity levels were subject to variability and could affect future income levels. The future presentation of key performance indicators was being considered and would follow a model suggested by the ESFA.

Governors noted that the reforecast would not be reviewed until the May meeting and were concerned that this may be too late to take action against any financial issues that may have been identified during the exercise. The Head of Finance referred to the issues already identified with regard to income, as detailed in the funding report at Item 7 and that these issues had already been noted. The forecast figures in the management accounts had taken into account all of the known issues to the end of November 2020. The Principal added that the reforecast exercise, with input from managers, would have been completed well before the Committee's next meeting and assured members that if any remedial actions were required then these would be put into operation as soon as was possible. The Principal was confident that the main income streams to the College would be achieved but had concerns at the current time with the Adult Education Budget and commercial income. Further positive news included the government's extension of the Teachers' Pensions employer contribution support grant. The Vice Principal Corporate Services commented that regular funding meetings were taking place and where necessary, amended income forecasts would be included in the managements accounts; further, all managers would be included in the reforecast exercise and would be asked to review their budgets.

Governors commented that in the previous year the financial outlook improved in the second half of the year and asked that if any concerning issues appeared in the current year if there was a mechanism for informing committee members. The Principal advised that the management accounts were published each month and that any urgent concerns would be communicated to members; further, additional committee meetings could be called if required.

The Vice Principal advised that he was anticipating being able to take the reforecast budget to the Corporation meeting in March 2021. The Clerk confirmed that there was not a requirement for this to be formally reviewed or approved in advance of the Corporation review.

The Chair referred to the Balance Sheet and commented that current bank loans were not listed. The Head of Finance suspected that if there were any, these may have been included with those falling due after more than one year; the Head of Finance would investigate and amend for next time if this was the case. **ACTION-HoF**

The Chair referred to the Contribution Analysis table, noting that the variance column was confusing to understand, in that a negative variance represented an actual contribution that was better than the budget, and considered that the signage should be reversed. This would be reviewed. **ACTION- HoF**

The report was noted.

Rob Petto joined the meeting at 9.33 am

7 Funding Position and Data Control

The Chair asked if the additional income being received in respect of high needs learners, over the budgeted amount of £2.625m had been included in the management accounts. The Vice Principal advised that it had not been included as yet but would be taken into account in the reforecast.

The Head of Funding & Exams provided an update on the Adult Education Budget, noting that activity in the autumn term had performed as expected, although programmes starting in the spring term were expected to be reduced. Partnership activities were also being monitored. The Principal added that there would be a saving on expenditure from partners should there be any under-performance. At the current time it was not known what activity level of tolerance would be set in order for the College to be able to claim full funding.

The Head of Funding & Exams reported that additional learning support income would be higher than expected due to an increased number of learners requiring this support.

The Chair asked about non-levy procured apprenticeship activity. The Head of Funding & Exams explained that this was being tracked via a detailed spreadsheet, with most of the new starters being introduced via employers' digital accounts, noting that there was a financial incentive for employers should they access this system.

The Chair commented that the overall funding position appeared to be positive at this stage of the year. The Head of Funding & Exams noted that the reduced apprenticeship income target of £3m would be achieved and that further AEB income could potentially be received for additional ESOL and digital delivery.

The report was noted.

Rob Petto left the meeting at 9.50 am

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

There had been no items to report during the period under review, (30 October 2020 – 15 January 2021).

The report was noted.

9 Committee Performance, Terms of Reference and Future Business Agenda Plan

The Committee reviewed the committee review proforma as prepared by the Clerk and concluded that it provided a fair and accurate summary of the Committee's performance during the past year. As part of the review, the Clerk suggested that the Committee reduced its number of meetings from 5 to 4, noting that should there be a need for an additional meeting that this could be called at short notice. This was agreed by the Committee.

The Terms of Reference were considered with no changes proposed.

The proposed future business agenda plan was reviewed. It was agreed that the Property Strategy would be reviewed by the Committee annually rather than every three years as was currently the case. This would be updated on the agenda plan. **ACTION-CLERK**

The report was noted.

10 Any Other Business

- i. Property Strategy and Accommodation – Governors asked that in future property reports, occupancy levels should be reviewed. It was accepted that the College generally had too much accommodation available, particularly on the King's Lynn and Wisbech campuses. With the continued reduction in sub-contractor partnership delivery this could have the effect of bringing more students onto the campuses, although there would be some offset as it was anticipated that some on-line/remote teaching would continue in the future. **ACTION-VPSC**
- ii. Climate Commission for UK Higher & Further Education – Governors asked if the College had an association with this organisation. The Principal advised that the College had previously subscribed directly to the Commission but due to the cost this was no longer the case; however, information was regularly issued by the Commission to the Association of Colleges and then disseminated to all FE Colleges.

- iii. Students' Academic Ability at Commencement of Studies – with the introduction of T Levels and the targeting of more academically capable students, Governors asked if students were assessed at the time of joining the College. The Principal advised that this was measured and recorded, adding that the College did attract a good number of highly academic students.
- iv. Presentation of Reports – Governors asked if report presenters should summarise the key issues of their reports to the meeting at the start of each item. It was noted that in order to allow more time for question and discussion it was expected that governors would read the reports in detail prior to the meeting and prepare their questions or concerns to be raised. The Clerk would ask report writers to clearly highlight the key messages from their reports in the Conclusion/Summary section. **ACTION-CLERK**
- v. Subsidiary Companies – Governors asked if the College was still considering closing one of its subsidiary companies. The Vice Principal advised that this matter was still being investigated.

11 Chair's items for briefing to Corporation

There were no items of note to bring to the Board's attention.

12 Date and time of next meeting

Wednesday, 5 May 2021, 8.30 am.

The meeting closed at 10.20 am