

**The College of West Anglia
Minutes of
The Finance & General Purposes Committee
29 January 2020
8.30 am
Room U120, University Centre, King's Lynn Campus**

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

1 Apologies

There were no apologies for absence.

2 Declaration of Interests

Adam Thompsett declared an interest in Item 10 – Property Strategy.

Ray Harding joined the meeting at 8.31 am

3 Minutes of the previous meeting – 20 November 2019

Minute 12 – Property Strategy: a query was raised regarding the question in the meeting referring to the lack of property development and if this was impacting on the curriculum. It was considered that the original question related to the need for additional space. The Vice Principal Curriculum & Learning responded that the college currently had a sufficient amount of space across its campuses and had the ability to move classes around if required. The Principal added that in some instances too much space was available leading to other concerns. This matter would be addressed in the Property Strategy report at Item 10. The Principal concluded that more could be done with the available space if additional funding was available for modifications and refurbishments.

The minutes of the meeting held on 20 November 2019 were agreed as being an accurate record and signed by the Chair.

4 Matters Arising

The progress against the outstanding matters from previous meetings were summarised in the report for item 4. These were accepted by the Committee and there were no questions raised.

The Vice Principal Corporate Services advised that the detailed report from Tribal Consulting had just been received. This had been presented in a summary form to the Board at the Corporation meeting held 11 December 2019. The Principal advised that he would be seeking approval at the Corporation meeting on 18 March 2020 for the Employment Policy Committee to be tasked with overseeing the restructure proposals based on the Tribal report at a special meeting of that committee planned for 25 March 2020. In the meantime, a copy of the Tribal report would be placed on SharePoint for Governors' information. **ACTION-CLERK**

Rob Petto joined the meeting at 8.36 am

5 Funding Position & Data Control

Governors noted there was sometimes confusion between the income figures being quoted in the funding report and those appearing in the management accounts, accepting that there was often a time-lag between the funding being earned and the cash being received. The Head of Funding & Exams explained that in most cases the same figures should be appearing in both reports, noting that sometimes differences could arise due to accruals being allowed for in the management accounts.

The Principal thanked the Head of Funding & Exams for the additional work put in to interpret the new funding allocation guidance and its impact on the College's income.

The Chair queried the 3% growth factor that had been built into the targets. The Head of Funding & Exams advised that this was an internally agreed target, taking into account the 4% growth achieved in a previous year. Further opportunities for growth after September was difficult as the starting point for most 16-18 students was in the autumn term. The Principal advised that the college was still actively looking to recruit additional students in the current year. The Vice Principal Curriculum & Learning advised that 12 new students had commenced in the current week. This was a particularly challenging cohort undertaking life-skills and being nurtured and supported with a view that the students would move onto other courses in time.

The Chair noted that 2020/21 Study Programme income was now anticipated to be £1.283m above the initial target of £12.891 and asked if this higher amount had been included in the medium-term financial plan (MTFP). This was confirmed. The Principal suggested the use of a live forecast column to record all changes to the MTFP as they occurred. The Vice Principal Corporate Services advised that the MTFP offered a good indication of the likely out-turn for the 2019/20 year.

Governors noted that apprenticeship income was likely to achieve its target of £3.5m. The Principal confirmed that financial performance had improved on the previous year, where the income targets for 2018/19 had been over-predicted. The Chair asked how the College compared with other colleges on performance. The Principal responded that the ESFA representative had considered the College's £250k growth target to be over-optimistic but was pleased that this was being achieved. Nationally, the number of starts was declining. The Head

of Funding & Exams advised that non-levy activity was performing well with only £80k left to be achieved before the end of March 2020. It was expected that the allocation would be extended to October 2020. The ESFA was encouraging the use of digital accounts which would lead to the end of the allocation process and a move toward demand-led income. The Principal said that the overall national funding available for apprenticeships was restricted. The New Anglia Local Enterprise Partnership (NALEP) and the Cambridgeshire and Peterborough Combined Authority had both created posts to support apprenticeships and to enable companies to share their respective apprenticeship levy funds. Governors asked if there was scope for the college to increase its activities in this area. The Principal advised that an increase in the short term would be possible. Governors asked if there was a risk of having to turn learners away due to the lack of guaranteed funding. The Head of Funding & Exams advised that the anticipated extension to October 2020 would help to alleviate some of the risk as well as close monitoring of starts and completions. There could be the risk that a learner would not be funded towards the end of the current allocation period (March 2020) but that this could generate additional income beyond this point, therefore, going beyond allocation could be considered in those circumstances. Governors asked if there were any limits imposed within particular subject areas. The Head of Funding & Exams advised that this was not the case.

The report was noted.

Rob Petto left the meeting at 9.02 am

Paul Smith joined the meeting at 9.02 am

6 Subcontractor / Partnership Activity 2018/19

The Chair asked about the Norwich School of Beauty and how this potential new contract had developed. The Head of Department: Employer Liaison, Partnerships & Commercial Training advised that the Norwich School of Beauty, established for approximately 10 years, occupied the same building as one of the College's existing sub-contractors, Art Academy East, and had originally made an informal approach to the College regarding a working partnership. Students recruited to the Norwich Beauty School tended to be mature students who required flexibility and who studied at evenings and weekends, hence the Beauty School would be more suitable for them than the courses offered by City College Norwich. The Head of Department was keen to pursue activities with this particular sub-contractor as it offered increased delivery within the region at a time when the sector was moving away from managing national contracts.

The Principal noted that the ESFA was very nervous about subcontractor activities and referred to two recent examples of colleges experiencing major issues, hence the need by the ESFA for further scrutiny and review. The College was mindful of its existing out of area activities with WAMAS and Solutions 4 Polymers.

Governors asked about the current underperformance within the WAMAS contract. The Head of Department was confident that this would meet its income target, although there was the option to divert funding to other partners to cover any shortfall if necessary. Governors noted that the integrity of the sub-contractors was key to ensuring good performance for the College. The Head of Department advised that contracts with two partners were coming to an end and that relationships with all other partners were considered to be good.

The Chair queried the values listed on Appendix 1, particularly the difference between the Contract Values and Planned ESFA Income. The Head of Department explained that the contract value was the amount due to be paid by the College to the sub-contractor. The Planned ESFA Income was the amount received by the College from the ESFA. The difference between the two figures being the management fee earned by the College.

The Committee agreed for the Head of Department to continue with further discussions and due diligence work with the Norwich School of Beauty.

The report was noted.

Paul Smith left the meeting at 9.23 am

7 Management Accounts – November 2019

The Head of Finance reported that the reforecast exercise was currently underway and that the accounts were still referring to the original budgets. The next set of accounts would be more detailed and would include contribution analysis and an improved alignment of income and expenditure. Current performance was better than this time last year, noting that Apprenticeship Income and Adult Education Budget income particularly had improved on the previous year. Regulators have an increasing focus on College's cash position and Governors were asked to note that the College had generated cash of £255k in the period to November 2019. The current cash position was £4.6m, which had been boosted by the recent land sale of Gaywood Fields.

The Head of Finance continued; the budget allowed for an overall 1% increase in pay costs. The job evaluation process for support staff was currently underway and could result in a cost pressure for the College.

The Principal referred to the medium-term financial plan as listed in paragraph 3 of the report and noted the financial health rating as "Good" for 2019/20. This could result in a move out of intervention for the College once the accounts for 2019/20 had been published. Governors reviewed the recent emerging issues which had altered the medium-term financial plan.

Governors commented on non-pay costs being 10.6% behind budget. The Head of Finance reported that this was due to partnership payments, where the profiling of such payments was difficult to predict in advance. Teaching and teaching support non-pay costs were also noted to be behind budget. The Principal advised that tight controls were in place and that the ordering system restricted managers from spending more than their respective budgets would allow.

Governors asked about the farm lease at the Cambridge Campus. The Vice Principal Corporate Services advised that a tenant was now in place at Cambridge. The Head of Finance added that a recent sale of farm equipment had resulted in a cash benefit to the College.

The report was noted.

8 Medium Term Financial Plan - Update

This item was deemed "confidential."

9 Contracts Between £100k & £500k and Single Payments Exceeding £1m

The report was noted.

Neil Harries left the meeting at 10.03 am and re-joined at 10.06 am

10 Property Strategy 2020-23

This item was deemed “confidential.”

11 Strategic Targets 2019/20 Progress Review

Governors asked for further information regarding item 2.1 and the difficulties faced in the recruitment of additional HE students. The Vice Principal Curriculum & Learning advised that there had been some recent issues regarding the validation of some HE courses. A meeting had taken place between the College and Anglia Ruskin University (ARU). Work was ongoing to resolve the outstanding issues.

Governors asked if the issue of space usage should be added to the targets for the year. The Clerk advised that this issue could form part of the College’s strategy when it was next reviewed by Governors in April 2020 and appropriate targets assigned to the strategy.

The report was noted.

Due to time constraints, the following agenda item was deferred to the next meeting:

- *Item 12 Review of Performance, Terms of Reference and Future Business Agenda Plan*

12 Any Other Business

There were no items of other business.

13 Chair’s items for briefing to Corporation

There were no particular items from the meeting to be highlighted to the Board.

14 Date and time of next meeting

Wednesday, 6 May 2020, 8.30 am, King’s Lynn Campus.

The meeting closed at 10.27 am