

**The College of West Anglia
Minutes of
The Finance & General Purposes Committee
30 September 2020
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
Attending	Paul Harrison	Vice Principal Corporate Services
	Neil Harries	Head of Finance
	Ruth Harrison	Vice Principal Curriculum & Learning
	Rob Petto	Head of Funding & Exams (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.

3 Minutes of the previous meeting – 17 June 2020

The minutes of the meeting held on 17 June 2020 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.

Governors asked about the planned reduction in sub-contracted provision. The Principal reported that a planned reduction of 25% would put the College in a stronger position. The Vice Principal Curriculum & Learning would be investigating in-house provision further, with the College expanding its own courses and services. The Principal noted that 2020/21 would be the last year of the GLA contract for adult learning services.

Governors asked for an update on the IT resources available to students and staff as home working/studying continued due to the coronavirus pandemic. The Vice Principal Corporate Services advised that several new webcams had been purchased to allow for video conferencing and remote teaching and that advanced cameras were being investigated to further improve the recording of classroom presentations. An order for additional laptops was currently in progress. The Principal added that some areas of the core IT infrastructure

was reaching the end of its serviceable life and so planning for its future replacement was now being considered; the recent capital grant from the government of £1,028,434 would help to fund this. Governors emphasised the need to ensure the College was well equipped for the future.

Governors asked if there had been any developments in the letting of farm buildings at the Cambridge Campus. The Vice Principal Corporate Services advised that there had been 2 recent enquiries, both of which were being managed by the College's land agents, Cheffins.

With regard to the benchmarking report from Tribal Consulting, the Vice Principal Corporate Services advised that there was an issue with the landbased data in the report and that this was in the process of being corrected. Once amended, the report would be posted onto the Governors' SharePoint portal. **ACTION-VPSCS**

The Chair noted that following the enquiry at the previous meeting, it was discovered that the College did not have insurance cover for business interruption caused by coronavirus. Governors commented that a recent FCA appeal had been won at the High Court, suggesting that future claims, if made, could be possible. Governors commented that it was likely that future insurance premiums would become expensive if cover was to be provided for all diseases.

5 Election of Vice Chair

It was agreed by the Committee that Gary Webb continued as Vice Chair of the Finance & General Purposes Committee for 2020/21.

6 Preliminary Financial Results 2019/20

The Chair reported to the Committee that Neil Harries, Head of Finance, would be retiring in January 2021, with his final day in the office being at the end of the autumn term, noting that his final F&GP meeting would be in November 2020. The Chair thanked Neil for his support to the Committee and wished him well as he prepared for retirement.

The Head of Finance commented on the preliminary results which were positive and ahead of the forecast. The bottom line position was £1.6m surplus, subject to the pension fund adjustment still to be allowed for. After allowing for the £1m land disposal in the year (Gaywood Field) the operating surplus was £0.6m. This performance would reset the loan covenant "clock" with the bank. The Health Rating score was graded as "Good" with 230 points. The reasons for the improvement against forecast related to income from apprenticeships and HE (particularly Equine). Pay had been controlled with a very slight overspend. Non-pay underspends were recorded in course materials and estate running costs (both due to remote working). Partnership payments were £¼m underspent at year end.

The Chair was pleased to note the positive position at year end, although was concerned that the higher than anticipated surplus had not been expected during the summer term. The Head of Finance advised that the main factor that had not been anticipated was the large underspend on partnership payments, adding that this was one area of forecasting that needed to be improved. The Principal agreed that forecasting in this area needed to be tightened.

The Chair asked about the funding received in respect of Adult Education from the ESFA. The Head of Finance said that all income for adult education activities was showing in the appropriate income lines. The Principal commented that the devolved authorities and the ESFA had agreed to fund providers based on earlier performance prior to the pandemic; as the College was delivering to its plan at that time funding had been received in full for the year.

Governors commented on the bullish target of 55% for faculty contribution, where only 34% had been achieved. The Principal commented that a contribution rate of 45% would be the target for 2020/21. The Head of Finance reported that there were still further improvements to be made to the contribution rate calculation to tie in the management accounts and curriculum plan together.

The Chair noted that the preliminary results were still subject to any late audit adjustments and the pension fund adjustment. The Head of Finance advised that an actuarial loss of £8m was anticipated from the pension fund.

The Principal reported that he had enjoyed good, positive conversations with both the ESFA and the Deputy FE Commissioner over recent months. Both authorities had confidence in the figures being produced by the College and the actions being taken. The pay/income ratio had improved and was now in line with sector norms (although still higher than the FEC's desired target ratio). The Principal referred to the recent report from the National Audit Office regarding college finances in the FE sector, highlighting the difficulties caused by underfunding over recent years, noting that approximately 50% of colleges were currently in some form of financial intervention and monitoring.

The Chair commented on recent positive announcements from the government showing its support for the FE sector. The Chair asked about the planned audit of the College's accounts; the Head of Finance advised that this would take place the following week (w/c 5 October 2020).

The report was noted.

Rob Petto joined the meeting at 9.03 am

7 Funding Position and Data Control

The Head of Funding & Exams reported that study programme income for 2019/20 was slightly lower than anticipated. There had been no income in respect of Prince's Trust activities since lockdown. The allocation for 2020/21 remained unaltered. Clarification on any potential change to the funding calculation was awaited regarding the allocation for 2021/22 (based on 2019/20) where growth and retention had altered over the last 6 months.

The final allocation values for adult education activities had all been confirmed (ESFA, GLA, CPCA). Funding from the CPCA was £60k more than the expected allocation.

Apprenticeship income was still being finalised, although the target of £3.5m was expected to be slightly over-achieved.

The R01 return had been submitted in September with the R02 return due in w/c 5 October 2020. The full implementation of Digital Accounts for apprenticeships had been pushed back to April 2021. The Principal commented that the College was fully supporting employers in preparing for Digital Accounts and encouraging them to take on new starters, however, engagement was currently minimal

The Chair asked about current enrolments and how this would affect funding in 2021/22. The Head of Funding & Exams advised that there were variances across all 3 campuses but overall there was currently a 5% increase on student numbers, subject to late changes. The Principal noted his pleasure at this performance, although reminded the Committee that apprenticeship income was suffering due to the coronavirus situation. The Principal was anticipating the next visit from the FE Commissioner, expected to take place in early in 2021. The Chair asked if this would be the final visit. The Principal considered that all previous actions had been addressed and that the College was no longer triggering any performance concerns and so was hopeful that the period of informal intervention would end.

The report was noted.

Rob Petto left the meeting at 9.17 am

8 Re-Procurement of Gas & Electricity

This report was deemed "Confidential."

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

The report was noted.

10 Any Other Business

- i. Capital Grant Expenditure – Governors asked about the schemes being considered to utilise the grant of £1,028,434. The Vice Principal Corporate Services reported that potential schemes for IT and property were currently being considered although the grant was restrictive in what it could be used for. Funds would need to be expended by 31 March 2021. Details of all proposed schemes would be circulated to governors for their review and comment in due course. **ACTION-VPCS**
- ii. Restructure – Governors asked for an update of the delayed restructure process from the summer term. The Principal advised that the restructure proposal paper would be considered for approval by the Employment Policy Committee at its meeting on 7 October 2020, prior to it being released for consultation and then final approval by the Board in December 2020.
- iii. Staff Motivation and Welfare – Governors asked how staff were performing at this continuingly difficult time. The Principal commented that for many staff the summer holiday period had been a very busy time in preparing for the autumn term, and workloads had not eased since teaching had recommenced in September. Staff were tired, but felt supported by the College and safe when on campus. A survey was currently being prepared to capture the latest feedback from staff members.

11 Chair's items for briefing to Corporation

There were no items for briefing as the main 2 items of business (2019/20 Year-End Accounts and the Funding Report) would be on the agenda at the next Board meeting.

12 Date and time of next meeting

Wednesday, 18 November 2020, 8.30 am.

The meeting closed at 9.45 am