

The College of West Anglia
Minutes of
The Finance & General Purposes Committee
5 May 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
	Hein van den Wildenberg	Governors
	Donna Woodruff	Governor
Attending	Paul Harrison	Vice Principal Corporate Services
	Ruth Harrison	Vice Principal Curriculum & Learning
	Rob Petto	Assistant Principal Funding & Performance (part)
	Virginia Grace	Head of Finance
	Michelle Blake	Marketing Manager (part)
	Stephen Halls	Clerk to the Corporation

The Chair welcomed Hein van den Wildenberg to his first meeting of the Finance & General Purposes Committee. The Chair noted that Item 7 – CWA Website, would be taken after Item 4, and that for Michelle Blake, Head of Marketing, this would be her first meeting with the Committee.

1 Apologies

There were no apologies for absence.

2 Declarations of Interests

There were no declarations of interest.

3 Minutes of the previous meeting – 27 January 2021

The minutes of the meeting held on 27 January 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. There were no questions, concerns, or other matters raised.

Michelle Blake joined the meeting at 8.35 am

5 CWA Website – Annual Review (Agenda Item 7)

The Marketing Manager explained that the coronavirus pandemic over the past year had affected the trends of the usual statistics that appear in the report. Whereas Google Analytics would normally separate the statistics of users within the College, with most staff and students working from home during the period it appeared that more external users were visiting the website (as staff and students would now be recorded as being external visitors). The Bounce rate had improved to 52.09% (a lower number was considered to be good). More content had been added to the website, including video presentations; this had caused the website speed to decrease slightly, but this was still at an acceptable level and would not affect the experience or time spent viewing the website by the user.

Governors asked for an explanation of the Bounce rate. The Marketing Manager explained that this represented the proportion of visitors visiting one page only, and then leaving the website without viewing other pages or drilling down further for more information; a figure of around 50% would be considered to be acceptable.

Governors were surprised that the use of the Safari platform was high, representing 41% of users. The Marketing Manager said that this platform was popular with Apple's mobile phone devices, which were generally increasing in use, whereas the more traditional users of laptops (and internet explorer) were decreasing.

Governors commented on the huge increase in visits to the HE and HE Courses pages. The Marketing Manager outlined the online advertising activities and use of postings on social media to targeted audiences which were now being managed in-house, enabling enquirers to then link to the website to obtain more information. Targeted advertising campaigns had focused on the vet nursing degree programme and various access courses.

Governors asked about the use of social media and if there was the potential for any damage to the College's reputation should any negative comments be received back from users. The Marketing Manager advised that use of social media was planned and considered, matching the appropriate social network to the desired audience. It was noted that new platforms were also being used, such as TikTok. Where negative comments had been received, usually in the form of a complaint or grievance, these were answered honestly on-line, so that other readers were able to see how helpful and supportive the College was in dealing with an issue.

The Chair asked about the use of Virtual CWA where, in total, 173 applications had been made from 565 registrations within the same session. The Marketing Manager considered this to be successful, noting though that there was no previous data on which to make a comparison. For the autumn term, both on-campus events and on-line events would be run together as there may still be, at that time, a reluctance for some prospective students to attend gatherings and group events.

The Chair asked about Joomla CMS. The Marketing Manager explained this was specific software for the content management system, which enabled the pages and content on the website to be updated in a controlled and secure way.

The Principal expressed his thanks to the Marketing Department and acknowledged how important the website had been to students (current and prospective) during the coronavirus pandemic and the challenges faced in providing alternative ways to hold events and open days.

The Chair thanked the Marketing Manager for her report.

Michelle Blake left the meeting at 8.51 am

Rob Petto joined the meeting at 8.51 am

6 Funding Position & Data Control (Agenda Item 5)

The Chair welcomed Rob Petto to the meeting and congratulated him on his recent appointment as Assistant Principal Funding & Performance.

The Assistant Principal noted his concerns with the challenges of the Adult Education Budget and the recently announced tolerance level of 90%. The recruitment of learners at Easter was still being processed and so data would change in due course.

The Chair commented positively on the performance of 16-18 Study Programmes and asked for an update of the in-year growth numbers where the target had been set at 3%. The Assistant Principal noted that growth was at 1½%, which, although below target, was an improved figure on the previous 2 years. The Assistant Principal added that the early recruitment this year would help the College's funding position over the next 2 years and would certainly strengthen the starting position for 2021/22.

Governors referred to the apprenticeship data in section 3.4 of the report and commented on the increased number of adult apprentices within the allocation for 'Levy/Digital Accounts' as opposed to 'Carry-Ins' and 'Non-Levy.' The Assistant Principal explained that the funding of apprentices was currently transitioning into 'Levy/Digital Accounts' and that all new apprentices would in time be funded via this method. All employers would be expected to use Digital Accounts.

Governors were concerned with the 127 learners whose completion was overdue. The Assistant Principal reported that staff were working hard to progress those learners to completion before the end of the academic year, noting it was not appropriate to undertake the end point assessment until the learner was prepared; funding would not be lost, merely delayed until the end point assessment had taken place.

The Principal reported that the College's income budget for apprenticeships of £3m would be achieved, noting the good performance in the current climate, but accepting that it was down on previous years. The College was supporting employers in the use of Digital Accounts and encouraging them to 'spend' their available funds from the levy with the College for their employees. Indications were that CWA was performing better than other local colleges in supporting employers to transition to Digital Accounts. The Principal reported that CWA was performing better than other local colleges with this provision.

Governors noted the shortfall of AEB income of £214k, detailed in section 2.4 of the report, and the partnership delivery cost savings of £294k also mentioned, and asked if this produced an overall contribution of £80k. The Assistant Principal advised that the income figures included both College generated income and that from partners; the costs savings mentioned did cut across all funding streams and therefore the overall contribution saving could not be calculated from the information available. The Principal reminded governors that partnership activity was being rationalised and that the ESFA was expecting colleges to provide a higher proportion of AEB activity than the subcontractors it engaged with. The Chair asked if the £294k cost saving had been factored into the reforecast budget for the current year. The Head of Finance confirmed that this was the case.

The Chair asked about the £393k 'Catch-Up' Funding received and if this grant was offset by cost. The Assistant Principal advised that unlike some colleges where external partners were providing additional activities at a cost, CWA was providing its own support to its learners where needed, (e.g. maths and English, functional skills, revision sessions) and paying staff for the additional hours worked. A contribution from the 'catch-up' activities was expected.

The report was noted.

7 IT Strategy Annual Report (Agenda Item 6)

The Assistant Principal commented that the events of the last 12 months had been very unexpected and that IT services had been heavily reactive during this time, dealing with priority areas on a daily basis. Many positives had come from the experience to aid future development and improvement.

Capital spending using ESFA grant funding had been used to improve systems and upgrade infrastructure. Governors asked how the replacement programme was progressing. The Assistant Principal reported that of the £603k allocation, £300k had so far been spent, with a further £100k committed, leaving £200k still to spend in teaching areas on whiteboards, display screens and so on. Many of the teaching staff laptops had now been replaced, with those for managers and support staff still to do. Current spending would be controlled to help avoid large, single replacement programmes in future years. Governors asked if the current spending was at a normal level compared to others. The Assistant Principal was unable to assess the level of current spend, as all colleges were different and managed their IT systems and infrastructure in different ways. Governors asked for details on the average life expectancy for units. The Assistant Principal advised the following: tablets, 3-4 years; laptops, 5-7 years; desktops, 7 years (although all devices were depreciated over 4 years).

The next area of discussion was deemed 'Confidential.'

With regard to the current IT strategy, Governors asked if strategic ambition 2 had been achieved with a positive impact on local social and economic prosperity. The Assistant Principal reported that IT had been used successfully to help the College achieve the strategic objective in various areas. The development of online training and blended learning had certainly been delivered over the past year. The Chair asked how online delivery would develop further. The Assistant Principal considered that online was appropriate for some areas, although many teaching areas would always want to deliver face-to-face in a classroom where possible. The Vice Principal Curriculum & Learning added that online lessons for adults had been particularly welcomed, noting that for English & Maths, online services had been used for the recruitment, enrolment and delivery of teaching. An innovation bid funding grant from the Cambridgeshire & Peterborough Combined Authority would be used to support digital skills. Further, the College was looking to provide synchronous delivery of teaching in various courses, such as Access to Humanities.

The report was noted.

Rob Petto left the meeting at 9.37 am

8 Medium-Term Financial Plan Update

The Head of Finance reported that the results of the recent budget reforecast for the current year had been taken into account when projecting forward the next 4 financial years. The main funding streams and areas of expenditure had been reviewed. A strong financial health position was showing (Good or Outstanding) with positive cash balances. The Pay/Income ratio however remained higher than the FE Commissioner's benchmark of 65%.

The Chair queried the cash balance where this had increased by almost £4m from 2023/24 to 2024/25. The Head of Finance advised that this was due to the repayment of the bank loan.

Governors noted that the surplus in 2022/23 had dropped to £238k with the year achieving an 'Outstanding' grading whereas in the previous year the surplus was much higher at £664k but the grading was only 'Good.' The Head of Finance explained that other factors were taken into account when calculating the health grading, including current ratio, EBITDA and borrowing as a percentage of income.

Governors noticed that the figures used in the table for AEB income differed slightly to those quoted in the earlier funding report. The Head of Finance advised that the figures agreed with the management accounts and were slightly higher than the funding report as 2 other smaller, yet related income streams had been added in for the purposes of this report.

Governors commented that they were pleased there were no anticipated land or property sales included in the medium-term financial plan. Governors asked what had been included in pay costs to cause the increase from 2020/21 to 2021/22. The Head of Finance explained that the anticipated increased costs following the support staff job evaluation had been included from 2021/22. Inflationary pay awards of around 1% had been allowed, along with incremental pay awards for those on salary progression. The Vice Principal Corporate Services advised that pay costs also included the effects of the pension scheme revaluation and employer's pension scheme contributions, noting that government support grant funding for this had been included, netting off against pay costs. The need for future staff restructures was unlikely. The generation of cash surpluses would enable the College to consider future investment opportunities.

Governors noted that non-pay costs reduced to £8,206 in 2021/22 and then increased again going forward. The Head of Finance would investigate and advise what had caused the reduction in 2021/22.

ACTION-HoF

The next area of discussion was deemed 'Confidential.'

The report was noted.

9 Management Accounts – March 2021 & Reforecast Update

The Head of Finance reported that the reforecast exercise had been completed with the bottom line position for the current year being much stronger than budget. The figures included some that were somewhat 'fluid' notably AEB income and apprenticeship income. Savings were likely to be achieved from staff restructure costs and contingency. The full impact of the job evaluation for support staff was still to be finalised and was not included in the year-end reforecast. The key performance indicators had been presented in a new format.

The Principal referred to the job evaluation process for support staff and advised that agreement had been made with the unions that once finalised, payments would be backdated to 1 August 2020 and that pay protection would be given to those adversely affected for a period of 3 months.

Governors asked what had caused the increased spending against budget for student support staff costs, as detailed in paragraph 3.2.6 of the report. The Head of Finance noted that this was an error in budgeting; teaching-related staff cost budgets had been created using the curriculum plan. However, some costs, not included in the curriculum plan, had been inadvertently left out. This had been discussed with the Vice Principal Curriculum & Learning and the Assistant Principal Funding & Performance. The Principal added that the curriculum planning software, '4cast' was used primarily to plan the curriculum and then to aid budgeting. The process was complicated as the system was expected to cope with multiple campuses, split classes and the pandemic. With continued use of the software the accuracy of future forecasts would improve.

Governors asked if a targeted review of contribution analysis and pay/income ratio per faculty would help to identify areas in need of improvement, noting perhaps English & Maths and also the Landbased faculty. The Principal agreed that Landbased was certainly an area to be reviewed, however for English & Maths the figures had been distorted by the additional

'catch-up' activities being run, where income was shown separately as grant funding rather than via the usual funding stream.

The Vice Principal Curriculum & Learning commented that the pay/income ratio had its place, but when other indicators were 'Good' then pay/income was perhaps less important. Managers were focused on the contribution rates of their areas of responsibility. The support from the Head of Finance in attending curriculum planning meetings was appreciated.

Governors asked about the KPIs and how the RAG rating was calculated. The Head of Finance advised that some KPIs were for in-house use, whereas those marked with an asterisk in the righthand column (strategic target) were also used as benchmarks by the FE Commissioner. The approach to RAG rating the indicators differed for each KPI.

The report was noted.

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

The Head of Finance noted that the contracts on the report related either to capital projects or to partnership activities. The Chair asked about the contract listed for Norfolk County Council. The Principal advised that this was for the subcontracted activity with the Prince's Trust/Norfolk Fire & Rescue Service.

The Principal highlighted the items relating to the School of Nursing Studies, which had received grant funding. Governors asked about the building development for this initiative. The Principal reported that the site for the modular building had been cleared (adjacent to the Creative Studies studios on the King's Lynn Campus (formerly the Print Room/Pulse8 gym). Construction works were anticipated to last 10 weeks and the building would be equipped during the summer period.

The report was noted.

11 Fees Policy 2021/22

The Committee noted the tracked changes in the proposed policy for 2021/22. There were no questions or concerns raised for this report.

It was proposed by Gary Webb and seconded by Ray Harding to recommend the Fees Policy 2021/22 to the Board for approval. This was agreed.

12 Governance & Financial Management Regulations 2021

The Clerk noted 2 late changes to be made to the regulations regarding the Terms of Office for the Chairs' Meeting group. Under Item 3 – Membership, to amend 'The Principal' to 'The Principal or his Deputy' to allow for instances when the Principal was unable to attend. Under Item 4 – Meetings, that the Principal, or his Deputy, should be a necessary attendee of this meeting, along with 3 other members. **ACTION-CLERK**

Governors noted the new approval levels for managers listed on page 110 of the report. The Vice Principal Corporate Services advised that this action had been taken following a review by the internal auditors, Scrutton Bland.

The Chair asked about stock checking as detailed on page 116 where although this was required within the regulations it had been noted in the report that checks were not currently happening. It was agreed that stock checking was necessary, and improvements would be made to the management process to ensure these were carried out. **ACTION-VPCS**

Governors queried item 2 on page 119 relating to senior management team being responsible for the risk strategy. It was agreed that mention would be made that oversight of this area was maintained by the Audit Committee on behalf of the Board. **ACTION-CLERK**

Governors queried the use of the term 'members' when considering those who should attend governors' meetings. The Clerk clarified that 'members' referred to governors, including the Principal (although in most cases the Principal would be separately identified). 'Members did not include executives (Vice Principals, Assistant Principals etc).

Governors noted that references to GDPR in the regulations needed updating. The Clerk would review and amend accordingly. **ACTION-CLERK**

The Chair queried section 19 on page 127 relating to the work of the internal auditor. This section required further review to take into account the current way in which internal audits were carried out. **ACTION-CLERK**

It was proposed by Alan Measures and seconded by Ray Harding to recommend the Governance & Financial Management Regulations 2022 to the Board for approval, subject to the changes discussed above. This was agreed.

13 Any Other Business

- i. Alan Measures reported on the conference attended on 21 April 2021 regarding Climate Change and the Green Economy and the issues to be addressed by the College. The Principal noted that the College regularly considered the climate and related areas within its work, having won the Green Gown award in 2017. The College's Energy & Environment Officer, Sue Brown, would be providing a briefing presentation to governors in due course.
- ii. Alan Measures asked about the branding of specific areas of the College's work, noting the School of Nursing Studies which was receiving good publicity at the present time. The Principal noted that such branding was undertaken when deemed appropriate, such as UcWA (for higher education).

14 Chair's items for briefing to Corporation

There were no items of note to bring to the Board's attention as the main items of business would be on the agenda for Board meeting on 19 May 2021.

15 Date and time of next meeting

Wednesday, 16 June 2021, 8.30 am.

The meeting closed at 10.25 am