

Minutes of the VIRTUAL meeting held at 4pm on 02 December 2020

Present: D Wildridge, (Vice Chair) N Savvas, Principal and CEO
E D'Souza C Higgins

In Attendance: S Jones, Vice Principal Finance and Resources
L Moody, Vice Principal Employer Engagement
P Ewan, Head of Finance
J Raffel, Group Director Finance
C Meredith, Executive Dean for HE
A Wright, Head of Admissions and Student Futures
R Stevenson, Group Operations Director
J Hannaford, Minute Taker
T Elkin, Clerk (part)

Apologies: S Clarke, (Chair)

No member declared an interest in relation to items on the agenda

1 Apologies for absence

There were apologies for absence from SClarke which were accepted. DWildridge agreed to chair the meeting in the absence of the Chair.

2 Minutes of the meeting held on 04 November 2020

The minutes of the meeting held on 04 November were **agreed** as a correct record, with the following amends:
Some typos were highlighted.

Page 4 – sub contracted provision – committee members questioned whether the committee should 'recommend' rather than 'approve' the policy this was agreed. It was questioned whether this is mandatory approved? SJones agreed to check with Scrutton Bland and check the financial regulations.

SJones

CHiggins requested that a quote in the minutes in relation to the University of Suffolk, to be removed, the Clerk agreed to action.

T Elkin

3 Matters Arising from meeting on 04 November 2020

There were no further matters arising.

4 Finance Report - October 2020

SJones provided a summary of the report. The variance from profiled budget on income lines has had an impact on the 'bottom line'.

LMoody confirmed that she was not concerned about the apprenticeship figures, year to date.

Committee members were informed that late notice was served by the DfE on the Gateway building for Abbeygate. Car park and Catering income has suffered as a result of Covid-19 issues. There is not a forecast deficit at present, but this will affect the forecast going into the next part of the year.

Costs relating to Covid-19 were summarised and Covid-19 costs will be shown in the next financial report as a discrete section.

P Ewan

L Moody advised that there has been income from short courses despite being behind budget. The College has also entered into a £100k contract with one employer. The College is discussing the impact of COVID costs with the ESFA fortnightly.

Balance Sheet

It was noted that the cash reserves are up by £2million, how has this been achieved? In addition to the £1.1m capital fund there has been the small group tuition fund of circa £400k and other smaller funds that were not in the budget which have had a positive cash contribution. The College is working on bids at the moment and employers are issuing procurement tenders with tight deadlines.

5 Key Performance Indicators

The committee questioned some KPI's shown as 'red'. S Jones also confirmed that the HE KPI was formerly set in advance and therefore tended to remain red all year in the event of under-recruitment but this year will use the number of FTE students at the first census. The committee accepted the KPI's.

6 Annual Report and Financial Accounts 2019/20

S Jones advised that the Auditors will not be able to sign off the financial statements as the College has been subject to a funding assurance audit and the funding auditors will not submit their findings to the ESFA until the end of term. The financial statements auditors wish to check that there are no material 'weaknesses before signing off the accounts.

The committee discussed the high surplus and questioned whether other high cost areas such as maintenance have not been neglected? No, this was not the case. A lot of capital investment will also be required over the next few years. NSavvas advised of a local college which has run out of cash which leaves WSC in a prime position of managing finances that other institutions don't have.

As the Auditors report is not final, it cannot be approved and sent to the Corporation Board. NSavvas advised that it can be recommended to the Board and should the Auditors advise of a material charge or not sign off then the report can be re-presented at an extraordinary meeting of this committee in January to be followed by an extra Board meeting. A single item agenda meeting was agreed, and the Corporation Board will be informed of this.

7 Treasury and Loan Update

Deposits are maturing but they are not earning much interest, one of the fixed rate loans will move to a variable rate in December 2022.

The Libor rate will be replaced with other mechanisms such as Sonia (backward looking – cannot be determined until the end of an agreed interest period). The clearer implications on Libor will be presented to the committee – the bank will discuss this with the finance team in the early part of 2021.

NSavvas advised that the College is in a unique position, that if fixed rates end on loans, these could be paid off.

8 Applications

i. FE

AWright confirmed that the current number is 3,120 and a thank you was noted to Pete Wilson and his team who have worked hard to get students on the system to achieve funding.

AWright summarised the application figures, the College is in a strong position and there are areas of growth; psychology, sciences and Level 3 courses are coming through strong for the next few years. Sadly, performing arts and hospitality figures have gone down due to the current Covid-19 situation.

NSavvas advised that parents and teachers in schools are dissuading students from applying for certain courses. However, the College has no plans for staff redundancies. WSC has a strong faith in arts and hospitality and expects to see figures increase next year.

ED'Souza asked for a view on the 16-18 in HE – how many students progress from WSC to other courses? Approx. 51% progress to higher education or University.

ii. HE

University applications were 28 last week and the figure is now 41. Last year the figure was 12. There has been a lot of work this year on re-branding and WSC has worked closely with the Abbeygate Sixth Form. There is a natural 'pipeline' between WSC and the Sixth Form Colleges.

The committee discussed the Capita proposal for HE MI software, the current manual system is time consuming, making the communication with the applicant more challenging. The College requires a system which enables colleagues to analyse the data of applications coming through. A lot of time is spent on reporting back and the current system is restricting AWright's ability to track week on week. The committee was advised that without investment in the system, the college will have to invest in a person to manage this, which will cost more.

A new system would cost approx. £36k and it was questioned where the money for this will come from? SJones confirmed that funding was set aside in the budget for this. It was noted that if this was 'unbudgeted capital' it would require Corporation Board approval.

9 Any Other Business

i. Capital Request – Immersion Rooms

SJones provided a summary; there would be benefits to the College but this was not included in the operational plan as it was not a proposal at the time. There is £71k in unbudgeted capital costs which need to be approved by the Corporation.

The committee questioned the business case for this? Examples of sharing access to opportunities provided by specialists throughout the world. This needs to be approved by the Corporation and will be presented by Colin Shaw.

C Shaw

It was **agreed** to ask for a recommendation for unbudgeted capital spend of £71k. There could be a saving of £15k on staff, per year. ED'Souza noted that he was in favour and questioned how unbudgeted capital proposals can be dealt with? The committee **agreed** to create a template for unbudgeted spend to enable small sums to be presented to the Finance Committee.

S Jones

ii. PSDS Proposal

RStevenson provided the background to the proposal including the risks and benefits. There will be grant funding with a proposal based on the consultant's report. The committee agreed to go ahead with Part A and as the finance element is outside the regulation of the committee, Part B needs to be a delegated task and it required the authority of the Chair of the Corporation for spend of up to £1million.

iii. Trip to New York

The committee was advised that the art and design trip to New York planned for November 2020 had been re-scheduled to March 2021, due to Covid-19. However, this has been cancelled again. The money already paid (deposit) is not refundable. The travel company has agreed to issue a credit note for £10k if another trip is booked before 31 August 2021. NSavvas confirmed that this would be a wise decision to move it to later in the calendar i.e. after January 2022. This was **agreed**.

iv. FE Improvement Fund

RStevenson advised that initial contracts were awarded for £200k to two contractors – the next contract award now needs to be considered: 31 March 2021 is the deadline for spending the funds. RStevenson requested approval for the next tranche of spend and

projects were identified to ensure the maximum use of the £1.1million spend: air handling, switch gear; STEM centre; flat roof; Gateway extensions. It was agreed to present the proposal, using delegated authority to the Corporation.

Date of next Meeting:

- Wednesday 10 March 2021 at 5.05pm

The meeting closed at 7.19pm