

FINANCE AND GENERAL PURPOSES COMMITTEE

**Minutes of the Meeting held on Wednesday, 3 October 2018 at 6.00pm
In Room 6SW1 at Paddington Green Campus**

Present

Tony Johnston (Chair)
Alex Fyfe
Keith Cowell, (CEO)
Simon Haben
Peter Child

Also in Attendance

Amanda Thorneycroft, Chief Operating Officer
Ita Leavy, Head of Learner Services (Item 7)
Stephen Davis, Principal CNWL
Jackie Grubb, Principal CWC
David Pigden, Consultant & Independent property Advisor (Item 8 onwards)
Nick Petit, Bidwells (Item 8b)
Chris Hardy, Addleshaw Goddard (Item 8b)
Natalie Watt, Interim Clerk to the Corporation (Minutes)

*The items were taken in the order of the minutes below.

1. Attendance and Apologies for Absence

Action

Adrian Quester, Head of Marketing, Item 6.

The meeting was quorate throughout.

2. Declarations of Interest

There were no declarations of interest other than those in the Register of Interests.

3. Health and Safety Announcements

Standard arrangements.

4. Minutes of the following:

- a) **Meeting held on 6 June 2018** – The minutes of the meeting were confirmed as a true and accurate record of the meeting and were **APPROVED** and signed by the Chair. (NB. Subject to checking attendance of Principal of CWC)
- b) **Meeting held on 25 June 2018** – The minutes of the meeting were confirmed as a true and accurate record of the meeting and were **APPROVED** and signed by the Chair.

Matters arising

All matters addressed on the agenda.

5. Enrolment & Funding Update

The item was presented by Stephen Davis, Principal CNWL.

- Members were advised that the report outlined the current funding position using RAG ratings. The Committee were informed that the RAG rating was applied taking into account remedial actions identified in the report.
- The Principal of CNWL confirmed that UCG had achieved 100% of the EFA student number allocation in 2017/18. The SFA contract is also expected to be delivered to 103%. Members noted that HE under delivered by £430k against an income targets of £1.9m.
- Discussion followed on the attrition levels at each college. It was noted that this was at 15% at CWC and at 9% at CNWL.

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- Discussion followed on the strategies employed to reduce these rates of attrition to retain more of those enrolled at the start. Members were also informed that January starts for HE were planned to improve the take up of funding allocations.
- Members were assured that it was anticipated that all planned funding, with the exception of HE would be achieved. Members were reminded that the funding was lagged and that there was some leeway to make up any losses the following year.
- However, it was noted that this would delay but not solve the impact of under achievement in funding targets.
- Members discussed potential areas of competition between the 2 colleges. The CEO outlined the historical areas of competition and the impact on both colleges particularly the decline in student numbers at CNWL.
- Further discussion followed on the wider competition across Boroughs and within the London region.
- The Principal of CNWL discussed the importance of progression and the challenges especially at CNWL who had weak progression and therefore had to recruit new each year. Members noted that CWC had referred approximately 50 students to CNWL that had translated into enrolment.
- The CEO confirmed that was one of the positive arising from the merger that had been anticipated.
- The Chair queried the return from delivering Higher Education (HE) if it was loss making longer term. Members of the Committee challenged the SLT to identify what actions and assurances they could give in terms of any area of the curriculum that was loss making.
- Members discussed the need to have viable and contribution generating courses that delivered the strategic aims and expressed their concerns that actions that may need to be taken to mitigate losses be taken as early as possible.
- The CEO assured the Committee that the SLT were well positioned to act, where courses were not able to produce a contribution and did not deliver, they would be subject to swift action to mitigate any adverse financial impact.
- Members queried specific courses and areas of delivery including ESL. The SLT discussed the cost elements of the provision including the staffing split and the flexibility offered where temporary staff were employed to mitigate any under recruitment or attrition.
- Members queried EMS and the reporting of 53 against 231. The Principal at CNWL advised the Committee that an unrealistic target had been set initially. Discussion, debate and challenged followed on the level of assurance that could be provide din relation to DATA.
- Members of the Committee challenged the SLT to provide assurance that a more rigorous and robust data management system was operating which in turn would provide greater certainty of financial outcome.
- Following discussion the COO confirmed that there was greater assurance in place, however, she would not be able to translate this into an assurance of financial confidence until after the census date.
- Members challenged the SLT to identify what actions they had identified that would mitigate any financial downturn to avoid the same issues as experienced in the previous financial year.
- The SLT discussed the flexibility that existed within some staffing areas, the ability to redeploy staff in more generic teaching areas and the attention being paid via monitoring by the SLT of the viability of courses and the levels of contribution and class size.
- The Principal of CNWL informed the Committee that the SLT had already acted and over 4000 hrs of delivery had been removed equating to a saving of 250k of costs being taken out of the budget.

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- Members were also informed that since the report had been written additional recruitment had taken place which improved the position slightly against that reported.
- Members asked to see evidence of this in the next report to the Committee.
- Members expressed their keenness to understand the provision across the colleges and their need to have confidence throughout the year on the achievability of a tough budget.
- Members noted that discussion on the impact of marketing strategies would also be needed, however it was anticipated that this would take place at the next meeting in the light of the absence of the Head of Marketing.
- Members discussed the banding levels identified in the report. The Committee was advised that it was too soon for the SLT to provide detailed breakdowns of the financial impact of enrolment until the MIS reports were available.
- Members again sought confirmation and assurance that there was sufficient rigor in the forecasting and data systems in place.
- The CEO assured Members of the Committee that the SLT had much greater confidence in the current year as they had been able to forward a joint curriculum plan.
- The COO confirmed that management accounts would be available for September shortly and these would reflect the latest available data.
- The Chair informed the Committee that he was meeting with all SPH on a regular basis and had greater confidence in the planning process a year into merger.
- The CEO informed the committee that the live data was much more accessible and it was expected that this would made a significant difference to the identification of any areas of concern.
- The Chair reiterated the Committee request for the circulation of monthly management accounts outside of the meeting cycle. Noted.

COO

The Committee **RESOLVED** to **RECEIVE** the enrolment and funding update report.

6. Marketing and Public Relations Media Report

- The Chair informed the Committee that there were a number of queries relating to the report which need to be raised with the Head of Marketing, in light of this it was agree that it would be considered in more detail at the next meeting.
- The CEO informed the Committee that he had received additional data from the Head of Marketing which he will circulated after the meeting in response to queries.
- Members also requested that the executive summary be re written to more properly reflect its purpose. Noted.
- The Chair expressed concern that the UCG website still had not been launched more than one year after merger. The CEO confirmed that the launch was imminent. The Chair asked for Governors to be notified when this happened.

Head
of
Mkting

CEO

CEO

The Committee **NOTED** the report circulated.

7. Financial Support for Learners Policy (Item 8)

Presented by the Head of Learner Services.

- Members' attention was drawn to the executive summary and the main issues identified. The Head of Learner Services flagged up the lack of use of loans and the COO confirmed that the unused loan funding had been reclaimed. Members discussed the use of the hardship fund, bursaries and free school meals in detail.

- Further detailed discussion followed on free school meals and how the funds were provided and spent. Members noted the differing needs of both Colleges and the differentiation of the policy based on the student's needs.
- The Head of Learner Services confirmed that the budgets had been balanced at both colleges.
- Discussion followed on attendance and initiatives that had been employed both during last year and for the start of this academic year.
- The Head of Learner Services informed the Committee that the area had been subject to recent audit. However, given the early scheduling a number of recommendations whilst having been implemented could not be tested. Noted.
- The Head of Learner Services assured the Committee that all the policies for students were clearly communicated across both Colleges.
- Discussion followed on the potential impact of free school meals on retention. Members discussed the level of food poverty across the Group and noted the differing profiles borough to borough.

The Committee **RESOLVED** to **RECEIVE** the report.

8. Estates Report

a)General Estates Matters

- Members requested that the Executive summary be revised in light of recent discussions where Governors flagged up the need for the summary to serve the purpose it was intended to and to key information that was not replicated within the report.
- The Committee was assured that work undertaken since the last meeting had provided significant mitigation of the fire risks at Queens Park and that this was no longer a cause for concern. Noted.
- The COO discussed the following contracts:
 - Catering – Members were informed this was currently being renegotiated.
 - Cleaning – Members were informed that a tender process was currently underway.
 - Security – Members were informed that this would be reviewed shortly.
- The COO discussed the potential size of the contracts and the possible need for Corporation approval outside of the meetings schedule to achieve start dates.
- The Committee requested that the COO review the contracts in the context of the Financial Standing Orders and advise the Chair and the Clerk accordingly regarding any approvals needed. COO
- The Committee requested that any report seeking approval outside of the Committee structure should contain the following information: COO
 - The length of the contract
 - The value of the contract
 - The comparatives that have been considered
 - The reasons for the final recommendations.

The Committee **RECEIVED** the report.

b)Willesden and Wembley property Update

- This item is subject to a separate confidential minute

c)Maida Vale Campus Refurbishment Project Review

- This item is subject to a separate confidential minute

d)Queens Park Confidential

- This item is subject to a separate confidential minute

9. ICT Contract Report & Merger Work Stream Update

- The COO presented the report. Members sought assurance that the speed of connections was sufficient for student and staff purposes.
- The Principal of CNWL and the COO informed the Committee that there was a phased roll out programme and that they would be able to provide more assurance at a later meeting once the changes had been completed. Noted.

The Committee **RESOLVED** to **RECEIVE** the report.

10. Loan Covenants: Update on actions since the last meeting and Chairs Action.

- This item is subject to a separate confidential minute.

11. Financial Report: End of Year Out-turn 2017/18.

- The Committee attention was drawn to the executive summary. Members requested that future executive summaries be reviewed to ensure that they fulfilled their purpose.
- The Committee noted that the management accounts for July show an operating deficit of £1,188k against an original budget deficit of £592k with a predicted negative variance of £595k.
- Members were informed that this deficit is in line with the results expected following the Mid-year reforecast (£1,181k) as previously reported.
- The COO confirmed that this out-turn is in line with the numbers submitted to the SFA in July as part of the UCG two-year financial plan and to Barclays.
- Members were advised that whilst there was a small improvement in the position over the closing months, redundancy costs and settlement costs amounting to £149k have been included in 2017-18 which the College had previously anticipated carrying forward into 2018-19.
- In addition, a contingent liability had been held relating to Maida Vale. As this amount had now been confirmed this would be included in the 2017/18 accounts. Noted.
- The Committee was informed that as per standard practice, the results reported are subject to external audit.
- The Committee noted that there may be further year-end adjustments before the Financial Statements are finalised.

The Committee **RESOLVED** to **RECEIVE** the Financial Statements report.

12. Review of Finance & General purposes Committee Terms of Reference

- The Clerk informed the Committee that it was proposed to review the terms of reference in light of staffing changes and job titles only. It was agreed that these changes should be made.
- The Chair proposed that consideration be given to the potential terms of reference required for the establishment of a Governors vehicle for monitoring the capital project.
- It was agreed that this would be raised at the Corporation meeting the following week and the view of Governors and the SLT sought.

The Committee **APPROVED** the Terms of Reference pending any minor changes identified above.

13. Supply Chain Fees and Charges Activity

The report was presented by the COO. The Committee were informed that there were only minor changes to the policy to reflect updated administrative details.

The Committee **RESOLVED** to **RECOMMEND** the Supply Fees Chain and Fees Policy to the Corporation for **APPROVAL**.

14. Action Log and Draft Work Plan

- The Interim Clerk informed Members that the completed actions would be removed from the Action Log. The remaining actions would be circulated to the SLT along with the draft work plan for further consideration. Noted.
- Members requested that some thought be given to developing themes for each of the terms to ensure meetings remained focussed.
- Members noted that management accounts should be a standing item on the agenda.
- Members also queried when a community engagement strategy would be considered. It was agreed following discussion that this would be kept on the planner for the Spring Term and a decision taken at agenda planning time about the practicality and achievability of proposing an updated strategy post-merger.
- The interim Clerk informed the Committee that the work plan was intended to be an active document and Members of the Committee and the SLT were invited to provide comments and updates as needed during the course of the year to help inform agenda planning.

Interim Clerk

SLT Interim Clerk

CEO

The Committee **RESOLVED** to **RECEIVE** the action log and work plan for the Finance and General Purposes Committee.

15. Date of Next Meeting

- Wednesday 28 November 2018 at 6pm at CWC.

16. Any Other Urgent Business

- Camden LEAP Application 2 – Subject to a separate confidential minute.
- LEAP Application 1 – Submission confirmed.

17. Issues of Confidentiality

Property and commercially sensitive matters as indicated above.

Signed: _____
Chair

Date: _____