

**College of West Anglia**  
**Minutes of**  
**The Finance & General Purposes Committee**  
**28 September 2022**  
**8.30 am**  
**Meeting Room, Principal's Suite, King's Lynn Campus**

<b>Present</b>	Hein van den Wildenberg	Governor (Chair)
	Alan Measures	Governor
	David Pomfret	Governor (Principal)
	Donna Woodruff	Governor
<b>Attending</b>	Paul Harrison	Vice Principal Corporate Services
	Jenny Quaif	Head of Finance
	Rob Petto	Assistant Principal Funding & Performance (part)
	Paul Smith	Head of Employer Liaison, Partnerships and Commercial Training (part)
	Adam Thompsett	Head of Property Services (part)
	Stephen Halls	Clerk to the Corporation

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The Chair welcomed Jenny Quaif, the college's new Head of Finance, to her first meeting with the committee. The Chair thanked the Finance team for their work in preparing the preliminary financial results report in time for the meeting. The Chair advised that following feedback from committee members, all meetings of the committee for 2022/23 would be held on-campus.

**1 Apologies**

Apologies for absence were received from Tony Kenber and Gary Webb.

**2 Declarations of Interests**

There were no declarations of interest.

**3 Minutes of the previous meeting – 22 June 2022**

The minutes of the meeting held on 22 June 2022 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; where updates had not been provided, the Vice Principal Corporate Services provided the following verbal updates:

2/3/22: Item 7 – School of Nursing Studies Project Review – Fusion Project Management had been approached to provide an independent review, to look at the decision-making process during the project, the impact of the centre, and the current and future benefits for the college.

30/3/22: Item 4 – Continuation of Subsidiary Companies. This matter was still to be discussed with KPMG. The Vice Principal would endeavour to speak with the auditors during one of the planned audit review meetings taking place this term.

22/6/20: Item 20 – Meeting with Mr. Measures to discuss contribution analysis with the Vice Principal; this item remained outstanding.

## **5 Election of Vice Chair**

This item was deferred to the next meeting.

**ACTION-CLERK**

*Paul Smith joined the meeting at 8.38 am*

## **6 Subcontracting Partnership Report**

The Head of Department noted that this report was an additional report to those presented in previous years, to ensure the college complied with the latest funding requirements regarding quarterly reporting of subcontracting activities to the Board.

Work was still progressing in closing the 2021/22 year with a number of outstanding achievements still to finalise. The performance for 2021/22 at present looked to be reasonably successful.

Targets for Norfolk Fire & Rescue Services (NFRS) had not been achieved, with a number of factors affecting its performance, including the negative impact of certain government initiatives and staffing issues at its King's Lynn centre; further, it was noted that activities at King's Lynn had not commenced this term due to staff shortages. The referral process between the college and NFRS was also in need of review and improvement. This was a particular area of concern for the college which was conscious of the need to support a high number of NEET individuals in the local community who would benefit by being involved with NFRS. Governors asked if the provision for NEET individuals would catch up once the staffing issue in King's Lynn had been resolved by NFRS; the Head of Department explained that the situation would improve to some extent, although there was work still to be done in reviewing the referral process. Governors asked if NEET individuals were currently working or unemployed; the Principal reported that many were working to support their households, although this would be low skilled/low paid work, with no skills development opportunities provided; the Principal added that Norfolk County Council held the ultimate responsibility for this concern. Under the new funding arrangements, where under-performance was noticed with one provider it was now more difficult to vire planned activity/allocation to another provider to make up the shortfall and so there was the risk that the college could underachieve on this income target.

The Head of Department noted the expected audit to be carried out, and the 10 criteria for the audit as listed in the report. As well as the audit, the ESFA would also consider local intelligence to assess the performance of the college.

The Chair asked about the current activities with Solutions for Polymers Ltd (S4PL). The Head of Department advised that the organisation was still dealing with the effects of the Covid pandemic, and continued to operate under measures introduced during the pandemic which continued to hinder activity. The Principal reported that S4PL was the only out-of-region provider for the college and, due to the continued use of Covid restrictions within the organisation, this had affected the apprenticeship performance in terms of timely completions and achievement rates. The Head of Department commented positively on the end point assessments managed by S4PL.

The Head of Department reported that the planned reduction of subcontracted activity to no more than 25% of any income stream had been achieved, with 180 planned starts for

partners using AEB non-devolved funds for 2022/23. The new reforms, as they had been interpreted, were being followed, although the college was still to receive confirmation from ESFA on the correct interpretation of some of the new requirements. Governors asked if the ESFA could be chased for confirmation; the Principal advised that clarification had been requested on many occasions; the Head of Department explained that other colleges were in a similar position, and that he would be raising the matter at a national conference he would be attending later this term.

**The report was noted.**

*Paul Smith left the meeting at 8.58 am*

## **7 Preliminary Financial Results 2021/22**

The Vice Principal Corporate Services reported on the preliminary financial position for 2021/22. The bottom-line position was currently a surplus of £151k (not £131k as indicated in the written commentary of the report); cash balances were healthy at £7.1m and loan covenants had been satisfied; the overall financial health grading was 'Good.' The figures were still subject to late change, and also to any necessary changes during the audit process, which was soon to commence.

The Vice Principal noted his concern regarding apprenticeship income, which could be challenged by auditors regarding the compliance issue raised in 2021/22; where work continued to address and correct the issues from previous years. Also of concern was the necessary repair of the tower block roof, to be discussed in more detail under Item 12; for now, however, there may be a requirement to include an impairment for the existing roof in the accounts for 2021/22, although to offset this, there was the possibility of releasing deferred capital grants into the accounts, with no overall effect to the bottom-line.

The Chair asked about the completion of the apprenticeship audit compliance checks; the Vice Principal advised that it was likely that sufficient evidence for compliance purposes would be gathered in advance of a funding audit being requested; the Vice Principal added that other colleges were currently in a similar position and experiencing the same difficulties. Governors considered that the fact that apprentices were attending college and undertaking their training ought to provide sufficient evidence of the agreement between themselves and the college. The Chair commented on the need to risk assess the issue and if needed, to make an accrual in the accounts for any possible clawback of funds; the Vice Principal confirmed that this would be discussed with auditors and adjusted for, if necessary, prior to the accounts being signed in December 2022. The Principal assured the committee that all new starters had been processed correctly this term, with measures in place for checking that all documentation was in order and complete.

Governors asked about the lack of commercial income in relation to farm leasing, as detailed in paragraph 4.7 of the report; the Vice Principal explained that the college was expecting to lease some of the farm buildings to a biotech company from Cambridge, but this did not materialise.

The Chair asked for this report, when it was presented to the Board on 12 October 2022, to include a summary of the major financial impacts or concerns for the college, such as national insurance, energy costs, interest rates. The Principal also noted that there may be an impact for the college regarding the Carbon Net Zero project, particularly if any of the three expected grant funds failed to be awarded.

**ACTION-VPCS**

Future loan interest rates were discussed briefly, although this would not impact on the college as the current loan was on a fixed rate and would be repaid by the end of the 2022/23 year. The Vice Principal noted that 'Salix' loans, used for green energy schemes

may not be available going forward; the college had been considering this source of finance to fund the replacement of the boiler in the Front Block at the King's Lynn campus.

The Chair asked that premises costs in future editions of the management accounts, be broken down into its various elements to allow for more scrutiny and understanding – maintenance costs, gas, electricity etc.

**ACTION-HoF**

**The report was noted.**

## **8 Contracts £100k-£500k & Single Payments > £1m**

Governors noted the costs relating to the waste collection contract and asked if the figures in the report represented the annual cost to the college, or the cost of the entire 3-year contract; the Head of Finance clarified that the value in the report represented the full, 3-year contract period.

**The report was noted.**

## **9 Governance & Financial Management Regulations 2022 (including Treasury Management Review)**

The Clerk reported that some minor changes had been made to the regulations during its review, although 2 items requested by governors during the year were still to be addressed: modern slavery & human trafficking and actions to take regarding low cash balances. The Clerk advised that, if available in time, he would include these 2 requested sections in the draft regulations to be reviewed and approved by the Board at its meeting on 12 October 2022.

**ACTION-HoF/VPCS**

Governors discussed the terms of reference of the Finance & General Purposes Committee and considered if the terms should specify that the committee should ensure the annual budget produced a surplus for the college, with a view to strengthening finances and cash balances; it was agreed that at times there may be the need for the college to accept a deficit operating position and therefore the committee's responsibility of advising the Corporation on all financial matters should remain unchanged.

**The Committee agreed to recommend the draft regulations to the Board for approval.**

*Rob Petto joined the meeting at 9.21 am*

## **10 Funding Position and Data Control**

The Assistant Principal Funding & Performance advised that there could be some late changes to the figures presented in the report. For 2022/23, Study Programme recruitment was up by over 100 learners on the previous year, calculated using enrolment data rather than from ILR data, which, once finalised, could differ; finalised numbers would be known by the middle of October 2022. Early indications overall for the new academic year were positive, there was the risk of students leaving before the census date in October, resulting in zero funding being received for those individuals, although to date there were no indications of any major concern with withdrawals. The Principal referred to his full staff meeting on 31 August 2022 in which he spoke about the importance of student retention; the Principal commented on the increased support and guidance available from Student Services and the co-ordinated effort with curriculum teams to identify and support those learners at risk of leaving. The Assistant Principal noted how the retention rate affected future years' income due to the rules of the 2-year lag funding model.

The Assistant Principal highlighted AEB income which achieved less than the target for 2021/22 which was disappointing, with the gap widening as the year progressed.

Apprenticeship income was positive with £3.3m in the budget but with an expected out-turn of £3.7m. The Chair asked if Digital Accounts made it easier for college staff in processing apprenticeship data; the Assistant Principal noted that the data and processing requirements for all apprentices were the same, regardless of the route to apprenticeships adopted by each employer. The Principal advised that new processes were being introduced to ensure efficient, effective and accurate data entry for all new starts; the Assistant Principal added that 100% checks were being done on all new starts to ensure data reliability and to avoid the problems experienced in previous years.

'Multiply', the funding initiative announced as part of the Shared Prosperity Fund, would provide an allocation of £35k for the college, to be received in October 2022. The Principal reported that this new fund brought further complexities for the college's data and accounting systems; the Principal noted his appreciation for the skills of the Assistant Principal in being able to interpret, track and analyse the requirements of the many funding streams.

Governors asked about T Levels. The Principal advised that recruitment to the Health & Social Care course, and also the Child Care course, were similar to the previous year. The Principal advised that a report was due to be published in FE Week regarding the examinations grading issue which caused upset and confusion for students when results were published in August 2022.

Governors asked if the low unemployment levels locally impacted negatively on the need for adult education, and if any potential funding streams were being missed or overlooked. The Assistant Principal advised that all funding streams were known. To aid growth in this area, the college was looking to improve its work within communities, working with third-parties to enhance and expand the adult offer, focusing on the up-skilling and re-skilling of individuals; the Assistant Principal considered that there was scope for the expansion of access courses and digital courses. The Principal added that the cost-of-living crisis would undoubtedly have a negative impact on adults undertaking additional studies as those in low-income jobs would be forced into working extra hours, or even taking on additional employment to cover household expenditure. Work in the growth of the adult offer was a focus for the Vice Principal Curriculum & Quality at the current time.

**The report was noted.**

## **11 IT In-House Service – Update Report**

The Assistant Principal Funding & Performance reported that the department was now fully staffed. The final vacancy position, that of Operations Manager, had been filled by a former employee who had returned to the college, commencing on 26 October 2022. There would now be a bedding-in period as all new staff, and those transferring from RM, took up their respective duties within the new in-house structure.

Governors asked about the salary structure offered for the IT department. The Assistant Principal explained that there was a mix of staff transferring from RM with their existing contracts under TUPE arrangements, and some taking on the college contracts; those previously not employed by RM would be on college contracts. The salary structure was that for all college support staff, with use of recruitment and retention allowances where necessary to fill key positions.

The Chair asked if IT would be solely based at the King's Lynn campus; the Assistant Principal explained that IT staff, particularly technicians, would be spending regular days each week at the Cambridge and Wisbech campuses. The Chair commented positively on the college having achieved CyberEssentialsPlus (CE+) accreditation in July 2022.

**The report was noted.**

*Rob Petto left the meeting at 9.39 am*

*Adam Thompsett joined the meeting at 9.39 am*

## **12 Tower Roof Repairs – Update**

*This item was deemed ‘Confidential.’*

*Adam Thompsett left the meeting at 10.10 am*

## **13 Any Other Business**

- i. Pay Award - Governors asked how the pay award of 4% for 2022/23 had been received by staff. The Principal reported that staff had welcomed the award, although concerns remained due to the current cost-of-living crisis. The Principal was not aware of any other college in the region providing an award as high as the college. The Principal continued that in some areas colleges were facing strike action due to the low level of awards offered; for CWA, communications with the unions remained good. Donna Woodruff, Staff Governor, echoed the Principal’s comments, noting that longer serving members of staff were pleased to have received such a high pay award; Donna Woodruff was encouraging newer members of staff who perhaps felt that the pay award was not sufficient in the current climate to reflect on other benefits of working for the college, such as leave allowance and training opportunities.

The Principal noted that even with the pay award there remained some vacant posts which were difficult to fill, particularly within the Technology faculty. There was an optimism with the high number of new managers joining the college over the summer period, following the planned retirement of the previous post-holders, although this also presented some risk as they settled into their new roles and responsibilities.

- ii. Medium-Term Financial Plan – Governors asked if the medium-term financial plan would be updated; the Vice Principal explained that this would be updated in due course, once the financial implications of the current issues (energy, inflation etc) had been ascertained; for now, a high-level summary of the concerning issues would be reported to the Board in October 2022.

## **14 Chair’s items for briefing to the Corporation**

- i. Sub-contractor Activities
- ii. Preliminary Financial Results 2021/22 – full report to the Board
- iii. IT In-house Service – operating from August 2022 and now fully staffed
- iv. Tower block Roof Repairs

## **15 Date and time of next meeting**

Wednesday, 16 November 2022, 8.30 am.

**The meeting closed at 10.19 am**