

Newbury College Corporation Finance & Resources Committee

Minutes of a meeting held on Monday 21 March 2022 at 4pm via Microsoft Teams

Present		Role
Membership:	Mike Farwell (MF)	External Member – Chair
	Martin Hamer (MH)	External Member
	Sally Osmond (SO)	External Member
	Derek Peaple (DP)	External Member – Vice Chair
	Sue Richardson (SR)	Staff Member
	Iain Wolloff (IW)	Principal & Chief Executive
In Attendance:	Jo Houghton (JH)	Director of Business and Partnerships
	Lee Hunt (LH)	Vice Principal
	Cathy Wright (CW)	Director of HR and Support Services
	Didem Allen (DA)	Finance Director
	Tom Barlow (TB)	Interim Finance Director
	Glyn Howells (GH)	Observer
	Rachel Southall (RS)	Personal Assistant to Principal
Apologies:	Derek Peaple (DP)	External Member – Vice Chair
Quorum:	Three members required	Meeting quorate, five members present

Item No.		Action
1.	APOLOGIES FOR ABSENCE Apologies were received from DP. MF welcomed Didem and Tom to the meeting. MF thanked Tom for all his help as Interim Finance Director.	
2.	DECLARATIONS OF INTERESTS Members confirmed that they had no declaration of interests to make. It was noted that GH was attending as an Observer in advance of joining the Committee.	
3.	MINUTES OF THE PREVIOUS MEETING It was noted that RE attended the meeting to give an update on IT Services but was omitted from the In Attendance list. This will be amended on the minutes. The Committee approved the minutes and the separate Confidential minutes of the meeting held on 22/11/21	
4.	MATTERS ARISING FROM THE MINUTES Item 8 and Item 10 were both actioned.	

5.	<p>STUDENT NUMBERS</p> <p>LH provided a summary and comparison of the Student Numbers 2021-22 and application figures for 2022/23 for 16-19s, 19+ Full Time, 19+ Part Time, Apprenticeships and HE (including Access).</p> <p>LH highlighted the potential improvements:</p> <ul style="list-style-type: none"> • A positive increase in applications for 16-19s (though this figure includes 70 applicants for the football academies, who weren't counted at the same point last year). • Apprenticeships and HE applications are above the figures for the same point last year and are on track. • It is anticipated that there will be significant growth within the 19+ Part Time Provision as the focus increases in distance learning courses and Maths and English delivery to support the levelling up agenda for adults. This is being supported through potential partnership work with Vision2Learn, Skills Network and West Berkshire Training Consortium. <p>Issues of concern:</p> <ul style="list-style-type: none"> • Applications for 19+ Full Time courses are below previous years, which appears to relate to increased job opportunities in the economy. <p>MF asked how the 94 variances for 16-19s was calculated. LH responded it was the difference those applying at the same point last year compared to the current year.</p> <p>MH asked if it were possible to provide a demographic analysis of where the students come from, to identify any geographical areas where we are not recruiting students. This could help inform our Marketing.</p> <p>LH agreed to consider this and see how easy it is to do. SR informed the Committee we have postcode data for each learner but not the integrated software to map their locations.</p> <p>Action: LH will examine the feasibility and cost effectiveness of undertaking a geographic analysis of student locations.</p>	LH
6.	<p>MONTHLY MANAGEMENT ACCOUNTS</p> <p>MF thanked TB for ensuring that the Management Accounts were completed promptly.</p> <p>TB reported that the accounts for the seven months ended 28th February 2022 reflect some important changes based upon updates received since the first reforecast of this financial year in October 2021. These include confirmation of the final 2021/22 16-19 funding allocation (including in year growth numbers), a review of Apprenticeship and AEB activity, and confirmation of the receipt of the COVID insurance claim. In addition to these developments there are potential further forecast changes under review in relation to the successful AEB business case outcome for 2020/21 and current year High Needs funding levels.</p> <p>TB outlined potential improvements including:</p>	

- Funding for the growth in 16-19 numbers has now been received
- Apprenticeship numbers and income are better than the budgeted figure
- The Covid insurance claim has now been included as income
- High needs income is likely to exceed the budget
- The improvements achieved with regard to the cashflow position suggest that the point at which cash falls below the agreed lower limit moves to March 2023.

TB highlighted issues of concern, including:

- The high level of 16-19 growth anticipated in the budget was not achieved, giving a total downward adjustment in income of £304K
- Lower AEB funded enrolments in core provision has been addressed by increasing distance learning provision, though this leads to an increase of £296K in staff costs
- Decisions on loan allocation have now been made by the ESFA, which result in likely loss of forecast additional income (c.£30k).
- Timing of the margin land sale remains uncertain.
- Additional costs for utilities and the significant rise in inflation have been included, but these costs may rise further, given the difficulties in the economy
- The forecast has been adjusted from a budgeted deficit of £1.150m to £1.402m, a small decline on the October forecast.

GH asked whether there was any additional cost in areas with additional income and whether costs have been reduced where the income is not as expected. LH confirmed that, in most areas with 16-19 growth, additional costs were not incurred, as the students were accommodated within existing groups. With respect to AEB, additional costs for staffing of distance learning had been included in the forecast.

GH asked about the process for reviewing the viability of courses. LH outlined that courses are reviewed annually. Currently there are several courses that fall below recommended contribution of 60%

MF asked is which part of the annual cycle were courses reviewed. LH explained that we are currently in the curriculum planning phase, when courses are reviewed.

MF asked if there was a budgeting error on the cost of delivering AEB. LH replied that it was not a budgeting error but there is always a challenge around AEB forecasting, particularly over the last two years in a pandemic.

MF asked for an update on the margin land sale - recorded as a confidential minute

MF asked TB to give an update on the balance sheet and cash position:

The cash position at the mid-point in the financial year is better than forecast by £1.6m. £630k of this relates to the receipt in February of the T level specialist equipment grant which must be spent by December 2022 for qualifying purposes so in effect creates a false peak that diminishes to the end of the calendar year. It should

	<p>be further noted that a significant proportion of the remaining improvement (although welcome) relates to the early receipt of local authority high needs payments and the timing of capital expenditure. The insurance receipt and improved operating performance in relation to costs have however improved the position and meant that no funds have needed to be transferred from deposit accounts to support cashflow as the ESFA funding profile falls off to March/April 2022.</p> <p>MF asked about the T Level specialist equipment grant. LH explained the T Level routes, which will start in September 2022, require specialist equipment for delivery. Therefore, the ESFA allocates this grant to all new T Level providers, based on their projected numbers of T Level enrolments.</p> <p>MH asked what is the mechanism the College is using to spend the T Level equipment grant? LH replied that, within each specification for each T Level, there are a defined set of resources which are required. Each T Level curriculum area is currently drawing up proposals for their planned expenditure.</p> <p>MF asked TB if there was anything further to add to the Debtors report included in the papers? TB replied that there were no further changes.</p> <p>GH noted on the Balance sheet both columns read 28 Feb 2022. TB replied that the column on the right should read 28 Feb 2021, providing a comparison to a year ago.</p> <p>There were no further comments on the management accounts and finances.</p>	
7.	<p>HUMAN RESOURCES</p> <p>The Committee received the latest HR Report from September 2021 to February 2022 which included:</p> <ol style="list-style-type: none"> 1. Recruitment 2. Turnover of staff 3. Exit interview 4. Training Budget <p>CW explained this report is an update, a full year-end report will be available in August.</p> <p>Potential improvements:</p> <ul style="list-style-type: none"> • The Investors in People review was positive and supportive. • We have supported a "Taking teaching Further candidate" through the first process, funding of £16,200 will be received. • Exit interview completion rates have improved and analysis is provided. <p>Matters remaining unchanged:</p> <ul style="list-style-type: none"> • Absence levels are affected by several long-term sick cases. <p>Issues of concern:</p> <ul style="list-style-type: none"> • Staff turnover levels are comparatively high. • Agency spend continues to be high to cover hard to fill areas. Most of these vacancies are now filled. 	

	<p>MF commented that it would be helpful to include details of the number of vacancies, absences, training, costs, and agency spend. Action: CW to add these items to the HR Report.</p> <p>MF asked how challenging recruitment was at the moment. CW replied that it remained a challenge and the number of applications we receive for each vacancy was considerably lower.</p> <p>MF asked if there had been feedback from staff on the rising cost of living? CW replied that there were concerns from some staff and those that are vulnerable were being closely monitored.</p> <p>MF asked whether absence levels affected by several long-term sick cases was down to Covid and who is monitoring mental health issues in the College? CW reported it was not due to Covid but other illness. CW also confirmed that mental health issues were being monitored by herself.</p>	CW
8.	<p>GENDER PAY GAP REPORT</p> <p>The Committee received the report on the Gender Pay Gap for review. CW summarised the report:</p> <ul style="list-style-type: none"> • Overall, 76% of our staff are female and our mean gender pay gap is high for the College Education sector. • A Gender Pay Gap (GPG) shows the differences in the average pay between all males and female in a workforce. It is represented as a percentage, where a positive number is a pay gap in favour of males, and a negative number is a pay gap in favour of female. • The Gender Pay Gap is different from the Equal Pay Gap. The Equal Pay gap deals with the pay differences between males and females who carry out the same jobs, similar jobs, or work of equal value. • After seeing our mean gender pay gap widening in 2020, this year's data showed a welcome narrowing of the gap to 20.64%, still above the education average of 17.6%, but a welcome change. • Our median gender pay gap has decreased year on year, it still sits at 32.8%. • This is a reminder of how, in a medium-sized organisation like ours, minor changes in our staff profile can result in a change of the pay gap. • Our student support staff make up around 30% of the workforce, they are predominantly women and are in Quartile one and two. <p>Matters that remained unchanged: The number of males employed in Quartiles 1 and 2 remains low, with only 22% of those employed being in quartiles 1 and 2 compared to 59% of females</p> <p>Issues of concern: The difficulties in recruiting key staff within construction and engineering will increase the gender pay gap unless we are able to attract female teaching staff.</p> <p>MF asked if the Committee agreed with the principle of publishing the gender pay gap</p>	

	<p>report, though there is no legal requirement to do so. The Committee agreed that the report should continue to be published.</p> <p>MH congratulated CW on an informative and interesting report.</p>	
9.	<p>IT SERVICES</p> <p>Cyber Security Arrangements GH pointed out that the Cyber Security report was discussed at the Audit Committee on 07 March 2022, due to an action on the Risk Register. It was agreed that Cyber Security would remain on the Risk Register and therefore would continue to be scrutinised by the Audit Committee.</p> <p>MIS System IW reminded the Committee of the need to re-tender for the College MIS system. The preferred option required a large capital investment, therefore, it is proposed that the College re-enters a 3 Year contract for the existing system. This can then be reviewed in eighteen months, following the planned capital receipts.</p> <p>MF asked if there would be any additional spend relating to the 3 Year contract. CW confirmed that there was an additional cost of £14K for some extra modules.</p> <p>The Committee approved the proposal for 3 Year contract with REMS, with an additional capital cost of £14K and will recommend this to the Board on 04 April 2022.</p>	
10.	<p>MARKETING REPORT LH reported that the Marketing Activity Review (Appendix 1) identified a positive improvement in KPIs and specifically the areas for improvement identified in the last report These were:</p> <ul style="list-style-type: none"> • Maintaining, responding, and communicating to all target audiences across multiple social media platforms • Creating targeted digital and print collateral relevant to events, campaigns, and audiences • Engagement activities that communicate the college intent and develop support from the local community and key external stakeholders <p>The overall assessment based on twenty indicators is that marketing is good in two areas and requires improvement in one, although these have improved since the last report. Curriculum and Marketing teams continue to work to improve these areas. .</p> <p>LH highlighted an area for improvement was in engagement activity and an open evening has been arranged in March 2022.</p> <p>He also reported:</p> <ul style="list-style-type: none"> • Considerable resource and marketing spend has been dedicated to UCN but developing this new market continues to be challenging. • Next quarter we shall be dedicating time to producing fresh collateral and website amends to support Foundation Learning. <p>LH highlighted we don't pay enough attention to our part time courses which he has recently picked up with the team, specifically around professional courses. He has</p>	

	<p>asked the Head of Learning to take the lead on this.</p> <p>MF asked if we shared ideas and concerns with other Colleges who we are not competing with? LH reported that the Marketing team have been involved with the College Collaboration Fund project and a couple of visits are planned with two other Colleges.</p> <p>MH found the report interesting and given the size of the Marketing budget he thought Marketing were doing a good job. MH went on to ask what the factors are precluding more recruitment in the UCN. LH thought it was possibly the newness of the UCN and lack of awareness in the community that we have this great resource on their doorstep. JH added that the UCN it is still a new market and it's about changing people's perceptions and getting our provision known.</p> <p>MH went on to say he thought the name of the College may be a factor. SO recommended that we discuss this at the Strategy Day.</p>	
11.	<p>FINANCE TRANSITION PLAN</p> <p>IW updated the Committee on the Finance transition plan. IW confirmed that DA started two weeks ago and has had extensive handover time with TB. To further support DA, the AoC have linked DA with an experienced FD from another College to be a mentor.</p> <p>In addition, there are currently two Finance Managers. The outgoing Finance Manager has agreed to stay on, to focus on project work, whilst the new Finance Manager is managing the work of the Finance office. Unfortunately, a member of the Finance team has recently resigned and the post has been advertised. The Payroll officer and Staff Services Manager, managed by CW, continue to fulfil their roles in relation to the Finance.</p> <p>DA thanked the College for welcoming her and their support thus far.</p>	
12.	<p>PENSIONS - recorded as a confidential minute</p>	
13.	<p>STRATEGIC DEVELOPMENT COMMITTEE</p> <p>The last minutes of the Strategic Development Committee were noted by the Committee SO had no further comment to make.</p> <p>IW reported that a good detail of work is being undertaken on the 5-year exit of the PFI and noted a lot of work will be required during this critical period.</p>	
14.	<p>POLICIES</p> <p>The Committee considered the revised Business Continuity Policy. It was noted that we have a separate IT Recovery Policy.</p> <p>Comments were:</p> <ul style="list-style-type: none"> • Page 62. In list of bullet points under Definition – add Extreme Weather • CW confirmed we can quickly move to online learning if required. 	

	<ul style="list-style-type: none"> Remove Staff from the front page. Section on Time off to care for dependents - Correct spelling of dependents to dependants. <p>Subject to the above amendments this was approved to go to the Board.</p>	
15.	<p>AOB</p> <p>MH asked that the following two agenda items were carried forward to the next FRC:</p> <ul style="list-style-type: none"> charges for car parking Institution name <p>The meeting finished at 6.02pm.</p>	RS

Confirmed as a correct record:

Martin Hamer (Jul 18, 2022, 2:40pm)

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Signature of Committee Chair

18 Jul 2022

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Date



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Date	Action
Mon, 18th Jul 2022 14:40:11 BST	Martin Hamer viewed the envelope. (35.179.60.205)
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Mon, 18th Jul 2022 14:38:10 BST	Martin Hamer opened the document email. (109.149.73.74)
Mon, 18th Jul 2022 14:34:49 BST	Martin Hamer opened the document email. (109.149.73.74)
Mon, 18th Jul 2022 14:34:10 BST	Document emailed to mhamer@marlin.u-net.com (18.132.39.189)
Mon, 18th Jul 2022 14:34:10 BST	Sent the envelope to Martin Hamer (mhamer@marlin.u-net.com) for signing. (80.2.104.86)
Mon, 18th Jul 2022 14:32:17 BST	Martin Hamer has been assigned to this envelope (80.2.104.86)
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