

SANDWELL COLLEGE

Minutes of the Finance & Strategy Committee meeting held on
Thursday 24 June 2021, 4.00pm

Present: A Taylor Independent Governor (Chair)
 K Ellis Independent Governor (Chair)
 G Pennington Principal
 P Stanaway Independent Governor

In attendance: J Bailey Exec Director, Finance and Corporate Resources
 B Beaty Exec Director, HR and OD
 S Griffiths Exec Director, Strategy and Projects
 S Hackett Independent Governor
 D Holden Vice Principal, Curriculum
 E Scotford Clerk to the Corporation
 J Stevens Principal, Cadbury College

Apologies: None

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| F21.13 | <u>Welcome and Apologies</u> | |
| | All present were welcomed to the Committee. There were no apologies. Alan Taylor was a late arrival and an early departure. Ken Ellis would take the Chair for those sections of the meeting when Mr Taylor's was not present. Proposed by: PS, seconded by: PS. | |
| | RESOLVED THAT: There were no apologies. | |
| F21.14 | <u>Declarations of Interest</u> | |
| | There were no declarations of interest. | |
| F21.15 | <u>Minutes of the Finance & Strategy Committee meeting held on 25 February 2021</u> | |
| | The minutes were approved as a true and accurate record and were signed by the Chair. | |
| | RESOLVED THAT: the minutes be approved. | |
| F21.16 | <u>Matters Arising</u> | |
| 16.1 | F21.8.1 – Governors asked that people risks be included in the next version of the Risk Register – work in progress. | |
| 16.2 | F21.8.3 <ul style="list-style-type: none"> condition report on cladding to be commissioned from the College's Fire Safety expert – work in progress - Browne Jacobson, government advisers regarding Grenfell and advisers to the Welsh Government on cladding, were working with the College. A significant body of evidence was being compiled for Browne Jacobson to review and identify the College's position regarding cladding. | |

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| | <ul style="list-style-type: none"> It was suggested that the FE College Transformation Fund submission include cladding replacement – actioned – the College had submitted a bid for £7.5 million for remedial works on the cladding. | |
| 16.3 | F21.9 – policies schedule to be compiled – work in progress. | |
| | AT joined the meeting | |
| F21.17 | <u>Capital Projects update</u> | |
| 17.1 | Cadbury | |
| 17.1.1 | The College had been successful in receiving funding from the LEP. The focus of the work has been on E block, the Fab Lab and Science block refurbishment. The work was currently on target to time and budget. | |
| 17.1.2 | The work on E block was almost complete with snagging items being addressed. Furniture is being installed. Work on the Science block started in May and was due for completion in early September. The Health and Education suite was impressive. 2 digital labs and the Fab Lab would be in place. | |
| 17.1.3 | Work on Bennetts Hill was due to start shortly which would mainly involve fitting out the building to suit the College's needs. | |
| 17.1.4 | There had been considerable IT investment this year and the College was reviewing how this fitted into its wider IT strategy. | |
| 17.1.5 | Next year will see the next phase of the work at Cadbury and the Engineering Centre in West Bromwich. | |
| 17.1.6 | Governors recommended that future reports include detailed mapping of the project against budget and timeline to ensure rigorous scrutiny of progress. | |
| 17.1.7 | <p>Governors assumed ongoing reporting of the budget for each of the individual projects would take place.</p> <p>The College confirmed that there were Project Managers and Quantity Surveys in place for the Cadbury project who provide regular cost against budget and programme updates which could be summarised for the Committee meetings.</p> <p>Future projects would also follow a similar structure. The College also had internal Project Boards to monitor work.</p> | |
| 17.1.8 | <p>In response to a Governor's request for more summary data, Governors were reminded that it was the remit of the Committee to receive and scrutinise detailed information regarding college finances and capital projects, for the Committee to be able to report back to the Board and ensure that Governors fulfilled their role of holding the College to account. It was agreed that progress against budget could be RAG rated to highlight areas of focus. Rigorous monitoring of finances was a key Board responsibility arising from the White Paper.</p> <p>Governors recognised that the cover reports summarised key points and highlighted the main areas for Governors' attention. The College would work to further refine a suitable framework for the report.</p> | Principal/ ED, F&R |

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| 17.2 | Engineering Centre, West Bromwich | |
| 17.2.1 | The project was funded by the Towns Fund. An update was given on which site would be used for the Centre. It was more likely to be Shaftesbury than Phoenix site. Professional advisers and architects were involved and supporting the College. Negotiations were ongoing. | |
| 17.2.2 | <p>A decision on funding should be known in September.</p> <p>Governors noted that match funding was the main issue for the Towns Fund and asked when the business case was due to be submitted.</p> <p>The College advised that it had been working closely with advisers in the local authority (LA) and was inputting significantly to the LA's internal document. The first draft had gone in ahead of schedule. The LA had appointed external consultants to work with the Towns Fund. The consultants will check the draft for consistency and will raise any points requiring clarification.</p> <p>The submission was due to go in as part of the first tranche to the Super Board in July 2021.</p> | |
| 17.3 | Second phase of Cadbury | |
| 17.3.1 | <p>A new building is due to be built on land not used on the Cadbury site.</p> <p>T level capital funds were secured to support this work. Plans were advanced and the College was seeking to maximise the opportunity.</p> | |
| 17.3.2 | The Executive Director, Finance & Resources, would update Governors at the main Board meeting regarding the plans for this project including a budget update. | ED, F&R |
| 17.4 | Post-16 Capital Fund | |
| 17.4.1 | <p>This capital fund was specifically linked to demographic change which would take place, particularly over the next 4-5 years with a view to ensuring there was sufficient capacity in the sector.</p> <p>The College had been able to evidence significant increase and pressures for the post-16 sector. The College has set out how significantly the College has grown in recent years and will continue to grow over coming years.</p> | |
| 17.4.2 | Timescales were outlined. There was approximately £90 million in funding available nationally. | |
| 17.4.3 | The College explained the rules of the fund and how it operated. | |
| 17.4.4 | The College had focused on: Cadbury – a complete refurbishment of N block to make it fit for purpose; Central campus – the building is over-subscribed and there is little other space that can be utilised. | |
| 17.4.5 | The College had been successfully in securing significant amounts of funding from the Towns Fund. There was an opportunity to use the funding to persuade the DfE that capacity could be increased at the Central campus. | |
| 17.4.6 | The bids needed to be submitted to a tight summer timescale. It was expected to be over-subscribed with a number of schools and sixth form | |

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| | colleges also bidding to the fund. The College was confident it could justify its case based on demographic increase and growth. | |
| 17.4.7 | RESOLVED THAT: Governors monitored the capital projects. | |
| F21.18 | <u>Strategic Plan update</u> | |
| 21.18.1 | It was noted that the Strategic Plan had been reviewed in detail at the Annual Strategy Forum with Governors' suggestions included and had been approved by the Board. An Executive summary was being prepared. | |
| 21.18.2 | Governors commented that the Strategic Plan was comprehensive but accessible and captured the ambition of the College. | |
| 21.18.3 | RESOLVED THAT: Governors received the Strategic Plan update. | |
| F21.19 | <u>Management Accounts</u> | |
| 21.19.1 | The College's cash position was healthy, with sufficient available to support capital projects where necessary. | |
| 21.19.2 | There had been in-year growth funding. | |
| 21.19.3 | Adult funding was performing well. Provision had been able to continue during lockdown. | |
| 21.19.4 | The College had provided free sandwiches for all learners all year because a full Refectory service had not been possible. The costs associated with this support and non-pay costs were a little higher than budget. | |
| 21.19.5 | The report was based on April accounts so it was noted that the update to the July Board meeting might differ slightly as this is due on May accounts. | |
| 21.19.6 | Governors noted that non-pay costs showed an overspend on some areas, e.g. admin at Cadbury, which was offset by a large underspend on other cost centres and what impact this had on the re-alignment of budget in next year's plans and asked if this was an area of concern. The College explained that some related to Covid matters, others related to how the budget was set last year at a cost centre level. | |
| 21.19.7 | Governors asked if the College had sufficient staff resources to manage the significant projects which were underway and imminent. The College advised that it had secured some additional external expertise which would be joining shortly to support the team. | |
| 21.19.8 | Governors asked whether a pay by cost centre analysis could be included in management accounts (similar to non-pay analysis). The College advised this was work in progress and had been difficult previously due to data from the external payroll provider. The quality of data in the new Cintra system was much improved. | |
| 21.19.9 | Governors sought assurance that the financial position was as healthy as it appeared in the accounts. The College confirmed it was a positive picture because of growth. The College had pursued a growth strategy over the last 4-5 years and had | |

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| | grown more than all other West Midlands colleges combined. Funding for 16-19 provision was more secure which provided a sound financial platform for the College. 16-18 growth had ensured group sizes were most effective. The College's finances were stronger than any other college in the West Midlands. | |
| 21.19.10 | RESOLVED THAT: Governors received and monitored the management accounts. | |
| F21.20 | <u>College budget 2021/22</u> | |
| 20.1.1 | The budget for the next 2 years was very healthy assisted by the capital grants which had been secured. Whilst pension movement impacts on the bottom line, this is removed from the ESFA's EBITDA measure of financial health score. The EBITDA is a key measure for the ESFA. | |
| 20.1.2 | An Outstanding financial health score was forecast. | |
| 20.1.3 | The College budget for 2021/22 includes income of £46m, up from £43m in 020/21 (£40m in 2019/20) demonstrating continued growth. | |
| 20.1.4 | Governors were pleased to note the budget reflected the College's ambition. | |
| 20.1.5 | The College's level of WMCA funding compared to other West Midlands was outlined. | |
| 20.1.6 | Growth in student numbers was projected based on applications received, particularly for Central St Michael's. | |
| 20.1.7 | The staffing budget had been prepared in line with the growth in income. | |
| 20.1.8 | <p>Governors asked if there was a detailed capital plan for next year and at what level it was approved.</p> <p>The College advised that the capital budget includes Major Capital Projects, as well as curriculum requests (e.g. new machinery for automotive for electric vehicle works), IT and building improvements across the existing estate, e.g. replacement toilets. This was reviewed in detail by the College Senior Leadership Team and a high level summary included in the board paper.</p> <p>It was agreed that more detail would be provided for the main Board. The document would be reviewed and refreshed to include more information on Major Capital Projects.</p> | |
| 20.1.9 | Governors noted that the financial position looked very positive. Enrolments in September have the biggest impact on the following year. | |
| 20.1.10 | <p>Governors asked what were the key areas of concern.</p> <p>The College advised that the College was supported by a strong team of staff to deliver against these lines. It was clear that a strategic aim of SLT was to drive recruitment and learner numbers and 16-18 funding was the main income area in the budget. There was a potential opportunity to take advantage of the National Skills Fund and the budget had taken a prudent approach to its inclusion. It was possible the income target could be far exceeded. Catch-up funding this year was almost £900k and, if repeated, could be additional to the budget.</p> | |

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| | The College was keen to ensure that financial reporting was as good as it could be and would be further enhanced. | |
| 20.1.11 | The College advised that a number of policies would be brought to the Board in due course and any significant changes would be highlighted. | |
| 20.1.12 | RESOLVED THAT: Governors would recommend the College budget 2021/22 to the Board for approval. | |
| F21.21 | <u>College Financial Forecasting Record (CFFR)</u> | |
| 21.1 | <p>The CFFR replaced the Integrated Forecast Model for Colleges (IFMC).</p> <p>The Executive Director, Finance & Resources, explained the format and purpose of the report. Colleges are required to put the budget into a monthly format for the next year to demonstrate to the ESFA that it does not expect to run out of cash.</p> <p>Specific Board approval of the CFFR was not required but the Accounting Officer was required to confirm the CFFR based on the Board approved budget.</p> | |
| 21.2 | RESOLVED THAT: Governors received the update on the CFFR. | |
| F21.22 | <u>Risk Register – Finance and Strategy Committee responsibilities</u> | |
| 22.1 | There were no changes to the previous version. | |
| 22.2 | RESOLVED THAT: Governors received the Risk Register. | |
| F21.23 | <u>HR Report</u> | |
| 23.1 | <p>Recruitment remained a key area of work, particularly to support the next phase of college development. It was important to have the right workforce in place. Improvements in this area of work continue.</p> <p>The College's main aim was to become the employer of choice. It had consequently secured places at industry specific award finals which celebrate employment practice, the only college to do so.</p> | |
| 23.2 | Wellness had been an area of focus, particularly given the Covid situation. Staff absence levels had not increased significantly across the board during this time. The College's approach was to embed wellness into all processes and procedures. | |
| 23.3 | The College came 3 rd out of 130 in the Making a Difference mental health awards – the only college to make the final. | |
| 23.4 | The College was now being recognised for its work in mental health and wellbeing. Wellness will continue to be at the heart of its practice. | |
| 23.5 | An update was given on the success of the Our Great College development programme which would be widened out to include other categories of staff over the next academic year. | |
| 23.6 | Important work had been undertaken on the internal and external people profile. One of the higher profile elements had been the College's Heroes of the College scheme being featured in the TES FE Heroes, with staff members' work showcased. | |

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| 23.7 | Governors were pleased to note that the College's good work was being recognised nationally and thanked staff for all their hard work. | |
| | AT left the meeting | |
| F21.24 | <u>Policies</u> | |
| 24.1 | Fees | |
| | RESOLVED THAT: Governors would recommend the Fees Policy to the Board for approval. | |
| F21.25 | <u>Committee Terms of Reference</u> | |
| | RESOLVED THAT: Governors approved the Committee terms of reference. | |
| F21.26 | <u>Any Other Business</u> | |
| | There was no other business. | |
| F21.27 | <u>Determination of Confidential Items</u> | |
| | There were no items of confidential business. | |
| F21.28 | <u>Date and time of next meeting</u> Tba | |

The meeting ended at 5.25pm