

Minutes of the Finance & Estates Committee held on Monday 10th May 2021 at 4.30pm via Microsoft Teams

Members Present: Valerie Little
Jason Parker (Chair)
Neil Thomas
David Whatton
Andrew Woodford

In attendance: Andy Comyn (Chief Operating Officer)
Gill Darwood (Senior Officer Corporate Governance)
Diana Martin (Vice Principal)
Carl Riding (Vice Principal Curriculum & Performance)
Steve Johnson (Executive Director Estates & Capital Projects)

1 Confirmation of quorum and apologies for absence

1.1 Apologies for absence were received from Liz Sithole and Georgina Barnard.

1.2 The SOCG confirmed the meeting was quorate.

2 Declarations of Interest

2.1 There were no declarations of interest.

3 Appointment of Chair and Vice Chair for 2021/22

3.1 Jason Parker was appointed as Chair and Liz Sithole as Vice-Chair for 2021/22.

4 Minutes of Meeting held 19th January 2021

4.0.1 The minutes of the meeting held on 19th January 2021 were agreed as an accurate record for signature by the Chair.

4.1 Matters arising

4.1.1 There were no matters arising.

5 Strategic Matters

5.1 Key performance indicators

5.1.1 The CE&P presented the paper which provided members with an update on progress with the Further Education Commissioner recommendations, specifically the actions and performance metrics agreed through Corporation. The paper also asked members to agree a proposal on how these would be monitored and reported going forward.

5.1.2 It was noted that progress against all proposals linked to the FE Commissioner recommendations continued at pace and the recommendations would ensure the committee and Corporation were kept regularly informed on progress towards achievement of the agreed metrics.

- 5.1.3 The COO advised that the agreed financial metrics would be built into the monthly management accounts going forward for ease of reference.
- 5.1.4 The paper proposed an annual review of the Estates Strategy which would come to this committee to ensure it was still fit for purpose and relevant. The proposal was that this review would be conducted in March annually and then reported to the committee for discussion and recommendation to Corporation.
- 5.1.5 With regard to the curriculum contribution report there was now a suite of Power BI tools to track and monitor this performance. It was recommended that this was monitored on an annual basis through two reports to the committee:
- Report to the December committee which would provide an update on actual enrolments against the plan and summary of class size and contribution analysis.
 - Report to the May committee which would provide an update on planning for the following academic year ahead of full report to Corporation.
- 5.1.6 **It was resolved** To note the update and agree the proposals in relation to future performance monitoring.

5.2 Enrolment Dashboard Update

- 5.2.1 The CE&P provided a live update from the data dashboard which detailed the enrolment position for each key client group as of 1st May 2021:-
- Apprenticeships – although reduced due to the impact of Covid compared to the previous year, enrolments to date were in keeping with the planned performance.
 - Full time 16-18 learners – enrolments were above the level of the previous year. It was noted that the business case for in year funding had not been approved by ESFA.
 - A level learners – there had been a slight increase on last year with 522 learners on programme.
 - Adult learners – enrolments were down on the previous year due to the impact of Covid. The CE&P noted that the WMCA had been supportive of the College maintaining provision in readiness for an upturn in delivery.
 - Higher Skills – again enrolment numbers were lower compared to the previous year on HNC/HND programmes.
- 5.2.2 In summary the CE&P confirmed that income in all areas was on plan compared to targets for the year.

- 5.2.3 **It was resolved** To note the enrolment update.

6 Finance Matters

6.1 Management Accounts – March 2021

- 6.1.1 The COO presented the management accounts and accompanying report for the period ended 31 March 2021. The report provided a commentary on the year to date financial performance of the College including the financial impact of Covid-19, and included a cash flow forecast up to July 2023. Key highlights were noted as:
- EBITDA at March 2021 was £2.3m, 7.4% of income. It currently stood at £300k above year to date forecast which was due to profile effect which would work out by year end.

- Apprenticeship income was ahead of target. The average fee per apprenticeship was higher than planned, therefore generating additional income.
- Full cost income remained a challenge due to Covid impact.
- AEB reduction would be offset in other areas and some pay and non pay savings.
- The 2020-21 EBITDA remained on track to deliver the full-year forecast of £2.1m.
- The new extended £5.75m revolving credit facility (RCF) with Santander was completed on 12 March 2021. The facility was for 3 years with up to 2 further years with the agreement of both the bank and College.
- The cash forecast assumed that £4m of the £5.75m RCF was drawn down throughout the forecast period to July 2023, providing the College with £1.75m of headroom in the facility to use as required.
- Bank covenants were forecast to be met throughout the forecast period to July 2023.

6.1.2 **It was resolved** To recommend the management accounts to Corporation for approval.

6.2 Update on new ESFA Financial return

6.2.1 The COO reported that the expected revised ESFA financial return had not yet been released by ESFA. He provided members with a presentation on the new return which would replace the Integrated Financial Model for Colleges (IFMC). Feedback from colleges to the ESFA had been taken on board and the revised return would be the College Financial Forecast Return (CFFR) which would be submitted by the end of July each year. Sign-off would be in line with the Finance Plan return. Feedback from trial of use by a number of colleges of the revised tool had been positive.

6.2.2 The COO advised that new financial health measures were also proposed which would include a revised measure on debt, and for the forthcoming year end both the new and existing financial health scores would be reported, although Colleges would be measured on the existing measures for this year.

6.2.3 **It was resolved** To note the update on the College Financial Forecast Return.

6.3 Students' Union Annual Report and Accounts

6.3.1 The COO presented the Students' Union Annual Report and Accounts to show the income and expenditure account and balance sheet for the period ended 31st July 2020 for Dudley College of Technology Students' Union.

6.3.2 The accounts recorded a net profit of £5,396 in the year and total reserves at year end were £12,202, most of which were comprised of cash at bank and in hand totalling £8,916.

6.3.3 A Woodford highlighted the reserves at year end and members noted that this was a one off occurrence due to savings made during the pandemic when many of the Students' Union activities had not been able to take place. The COO advised that the expenditure was normally well controlled with little over or under spend. The CE&P noted that these reserves would be invested at the start of the new academic year to enhance induction, transition and Freshers' Fayre activities. D Martin noted that there were also plans to run a summer programme of activities especially with the 'We Socialise Too' group.

6.3.4 The Vice Chair noted that in the past the Students' Union had also been successful in attracting funding from external sources which therefore made a contribution to their expenses.

6.3.5 **It was resolved** To note the Students' Union Annual Report and Accounts for the year ended 31st July 2020.

7 Development and capital projects update

7.1 Commercially sensitive - Capital Development projects update

This matter is the subject of a separate and confidential minute.

8 Partnerships and sub-contracting

8.1 Commercially sensitive - Partnerships (sub-contracting) termly monitoring report

This matter is the subject of a separate and confidential minute.

9 Policies for approval

9.1 Learner Financial Support Policy Review

9.1.1 The COO advised that in line with good practice, the Learner Financial Support Policy had undergone a periodic review. Changes made related to amended dates and names. It was noted that the policy would need to be further reviewed once guidance relating to student finance had been released at the end of July.

9.1.2 **It was resolved** To recommend the Learner Financial Support policy to the Corporation for approval.

9.2 Fees and charges for 2021/22

9.2.1 The COO presented a report on the College's proposed fee structure and fee rates for the 2021-22 academic year. The report reflected changes to funding models and structures that were now in place, including the devolution of adult funding for learners in the West Midlands.

9.2.2 The only change proposed was an increase in the amount payable by co-funded adult learners up to a maximum of £1,500 per course in each year of study from £950 last year. The increase reflected that a small number of higher technical adult courses could now cost £3,000 plus per annum. D Whatton asked what the process would be for raising the fees for co-funded adult learners up to the maximum. The CE&P explained that the purpose was to set a cap on this figure and the majority of learners obtained funding through other means. D Martin provided further detail on how the level of any fee was set through the business planning process.

9.2.3 No change was proposed to HE fees as the full time fee was already priced at the maximum allowable for the College under OfS rules, and although the College could increase the HE part-time fees, it considered these remained appropriately priced.

9.2.4 **It was resolved** To recommend the Fees and Charges Policy for 2021/22 to the Corporation to approval.

9.3 Review of Financial Regulations 2021

9.3.1 The COO presented the Financial Regulations which had been revised to reflect some changes to wording and job titles, together with amendments to a number of sections, which had been highlighted for ease of reference.

9.3.2 **It was resolved** To recommend the Financial Regulations 2021 to Corporation for approval.

10 Committee's business plan for 2021/22

10.1 The SOCG presented the business plan for the Committee for 2021/22 which provided an indication of business and reports which would be submitted to the meetings for the Committee scheduled for 2021/22. *She suggested that the proposed items for periodic review covered under agenda item 5.1 could be clarified on the business plan prior to its submission to Corporation for final approval.*

10.2 **It was resolved** Subject to the addition of items agreed at item 5.1, to recommend the committee's business plan for 2021/22 to the Corporation for approval.

11 Date of Next Meeting

11.1 2nd December 2021 - to be confirmed.

12 Any Other Business

12.1 There were no items of other business.

The meeting closed at 17.35

Approved by the committee at the meeting held on 2nd December 2021.