

**WALSALL COLLEGE**  
**MINUTES OF A MEETING OF THE FINANCE & RESOURCES COMMITTEE**  
**HELD ON TUESDAY 24 NOVEMBER 2020 AT 1200 HRS**  
**VENUE: VIA ZOOM**

**PRESENT:** Dave Wheeler  
Jat Sharma  
Allan Pinnegar  
Charlotte Bosworth  
Stuart Pedley-Smith

Chair  
Principal

**TOGETHER WITH:** Alastair Scales  
Matthew Brown  
Jacky Leek  
James Norris (Item 23.21)  
Deb Rajania (Item 25.21)  
Alison Buick

Chair of Audit Committee  
Director of Finance & MIS  
Head of Finance  
Assistant Principal Commercial Development  
Director of Operations and Resources  
Clerk to the Corporation

**APOLOGIES:** Charlotte Bosworth

**16.21 CHAIR'S OPENING REMARKS**

The Chair welcomed all to the meeting and thanked them for their attendance. It was explained that Alastair Scales had been invited to attend in his capacity as Chair of the Audit Committee, as this was the meeting at which the annual accounts would be received.

It was a lengthy agenda. The Chair was pleased that the college was continuing to operate well despite the challenges of the ongoing pandemic.

**17.21 APOLOGIES FOR ABSENCE**

None.

**18.21 DECLARATIONS OF INTEREST**

The Director of Finance & MIS noted staff interest in the Pay Award that would be covered later in the agenda.

**19.21 MINUTES**

The minutes of the meeting held on 6 October 2020, having been circulated, were taken as read and approved.

**20.21 MATTERS ARISING**

Governors reviewed the Action Points Record for Finance & Resources Committee and noted the following:

Item 69.19

The commercial activities review had been deferred until Spring 2021.

Item 04.20

The Staff Wellbeing Strategy was outstanding.

Item 11.20

The exam fees review would be considered as part of curriculum planning for 2021/22.

Item 31.20

The bids and projects update was not due until February 2021.

Item 07.21.1

The discussion with the insurance brokers was outstanding.

Item 07.21.2

Pension issues were included in the commentary to the statutory accounts.

Item 07.21.3

The balance sheet figures had been corrected as agreed.

Item 08.21.1

The progress report on Cannock activities was not yet due.

Item 08.21.2

The catering contact would be covered later in the agenda.

**21.21 CHAIR'S ACTIONS**

No Chair's Actions had been requested since the last meeting.

**22.21 FINANCE REPORT TO SEPTEMBER 2020, INCLUDING PAY AWARD PROPOSAL**

The Director of Finance & MIS presented his report, which covered the financial position to September 2020.

The operational position was challenging due to the impact of the ongoing pandemic. Over 60 staff had been absent in the previous week due to Covid related issues. Governors were asked to note the following in respect of the management accounts:

- The 16-18 recruitment was slightly ahead of contract;
- Apprenticeships recruitment was reasonable in the circumstances;
- The Government had extended the furlough scheme until March 2021;
- HE courses had recruited broadly in line with expectations. LCCA activity would wind up in the year;
- The adult picture had improved with more recruitment in November, but remained very uncertain with the second national lockdown having an effect;
- There were ongoing additional costs relating to ensuring that the college was 'Covid-secure';
- There was a growing sense of fatigue amongst staff and students. Resilience was declining;
- Cash levels were strong at present;
- Overall, the year had started well, but energy levels were falling.

The Principal added that the situation in relation to adult recruitment at Walsall was mirrored in the national picture. He was concerned that student engagement generally seemed lower, and that this would impact on progress later in the year. It seemed that everyone was working harder to stand still. Options to boost staff morale were being considered. A free meal initiative had been launched.

The Director of Finance & MIS was confident of delivering the budget for the year. There were lots of initiatives and funding opportunities, but there would also be additional costs. A balance was needed to avoid excessive stresses and pressures on staff. Government seemed keen to support FE financially. However, for some funding streams, if conditions were not met there was a risk of clawback. There were undoubted complexities in delivering some of the Covid projects, particularly putting on extra capacity when staffing levels were fluctuating.

The college had received £1.6m of capital funding and £60k of out of area funding. There was also a further £400k of T Level funding.

The Principal commented on the priorities of WMCA for higher level and digital courses. This was not always in line with the needs in Walsall Borough, which were often at a lower level.

Questions and comments were invited.

The Chair asked what would happen to capital funding if it was unspent by 31 March 2021. The Director of Finance & MIS outlined projects planned, including at Green Lane. It could not be confirmed that all spend would be committed against college plans. However, the expectation was that funds be committed (with evidence) if they were not actually spent.

Governors commented on the need to balance planning to deliver projects to spend the funds available versus the management capacity to oversee this in already challenging times. This was a concern.

The Chair noted the queries he had raised on the report within Convene. The Head of Finance confirmed that the depreciation figure was correct and that the IT and utilities spend was expected to be in line with budget for the year.

There was a suggestion that a session on AEB funding would be useful at the next Governor Training event. This would be considered.

The Director of Finance & MIS went on to outline the Pay Award proposal at this time. At this point in time it was not possible to confirm that an award was affordable, although there was a feeling that generally staff were expecting one. There had been some feedback from unions and some discussions around the national living wage that needed to be taken into account.

It was confirmed that the national pay freeze for the public sector announced by Government this week did not directly impact the college.

Governors asked if other non-salary options could be considered. The Director of Finance & MIS stated that bonuses and non-consolidated payments were possible.

The last pay award had been 1.5% in February 2020.

Governors felt that a pay award was appropriate, if it was affordable. The wellbeing of staff was important, and pay was a factor in this. Attracting and retaining the right staff was also critical. The Principal wished to look at options and also consider what other local colleges and employers such as

Principal

the local authority were doing. It was important for the college to be in line where possible. The Comprehensive Spending Review this week would indicate sector funding for at least the next year.

There was no specific provision in the budget for a pay award.

It was agreed that further work to develop proposals was needed, and that an update would be provided to the Corporation meeting in January 2021.

Governors **resolved** to receive the Finance Report to September 2020.

### **23.21 APPRENTICESHIPS AND COMMERCIAL REPORT**

The Assistant Principal Commercial Development presented his report, which was the regular update for the committee. It showed the final outturn for subcontracting in 2019/20, the subcontracted activity for the current year and requested approval for a small carry over for one subcontractor.

In addition, quarter one's recruitment against plan was noted. Updates on this would be provided in year, to give Governors an indication of the level of activity.

The Chair asked for clarification of the quarter two activity shown. It was confirmed that quarter two started on 1 November and updated activity would be brought to the next committee meeting in February 2021.

A Governor commented that the college's apprenticeship recruitment was holding up well against a national picture that showed starts were down by 46%.

Governors **resolved** to **approve** the changes to subcontractor contract values as requested.

### **24.21 COLLEGE DRAFT STATUTORY ACCOUNTS 2019/20**

The Director of Finance & MIS presented his report. Alastair Scales, Chair of Audit Committee, was in attendance for this meeting.

Both the Accounts and the Management Letter had been considered by the Audit Committee at its meeting the previous week. KPMG, external auditors, had been present at this meeting.

#### Walsall College Draft Operating and Financial Review and Financial Statements

Governors' attention was drawn to the following:

- It had been planned to sign off the accounts as approved at the Corporation meeting on 26 November, but KPMG had advised that this was no longer possible. All required information had not been received from the ESFA, and therefore KPMG could not provide their final opinion on the accounts;
- KPMG were completing their audit work on going concern;
- There had been a substantial movement in the pension liability. This had resulted in an accounting adjustment that had impacted on the overall reported result. Excluding the effects of this, the underlying operating position was good;

Director of  
Finance &  
MIS

- The audit had gone smoothly, although the pandemic had resulted in additional work being required due to remote working of both audit and college finance staff. The Finance team had managed this well;
- There had also been additional work due to new compliance requirements for the OfS.

Questions and comments were invited.

The Chair of the Audit Committee reported that his committee had a very favourable view of the accounts and no concerns. Both the internal and external auditors had provided clean opinions as a result of their work in year. There had been two best practice recommendations raised in KPMG's management letter. The Audit Committee was satisfied that risks to the college had been identified and were being managed appropriately. The pension risks were the same across the education sector.

There was a discussion about the new OfS requirements, relating to expenditure on the Access and Participation plan. Now that this had been included within the audit, it was possible that the usual annual return for this would not be needed next year.

It was confirmed that there had been some updates to the accounts since the committee papers had been issued, and that the updates would be presented at the Corporation meeting.

There was a discussion about aspects of the accounts narrative, following which it was **agreed** that a reference to the college's latest published Ofsted report would be added.

It was **resolved** that Governors **agreed** to recommend that Corporation approve the signing of the accounts by the Chair and Principal once KPMG had completed their work and were in a position to also sign off. There were options to hold an additional Corporation meeting, or to take the accounts for approval at the scheduled January meeting. However, the committee members favoured delegation to the Chair.

The Head of Finance noted that if the accounts were signed after 30 November, as now seemed likely, the wording on post balance sheet events would need to be amended, as the acquisition of CITB would have been completed.

Thanks were expressed to the Finance team for the work undertaken to complete the accounts and audit.

## 25.21 RESOURCES REPORT

The Director of Operations and Resources presented his report, which had several sections.

### Pleck Library

Approval was sought for a five year lease of Pleck library at a peppercorn rent, for the delivery of ESOL provision.

### Catering Contract

It had been agreed that the contract would continue until the end date of July 2021.

Head of  
Finance

### Capital Grant Works

Works had been planned and discussion were ongoing with ESFA over the use of the allocated capital funding.

### Property Strategy Projects

Six projects had previously been identified, and these were explained. Full business cases needed to be developed to progress each of these. It was expected that this would start in the next 6-8 months.

A Governor commented on the need to fully consult students and the community regarding the proposals to re-site the provision currently at Hawbush to within the Town Centre Plan. It was agreed that this would need careful management and was part of the initial considerations.

### Green Lane Campus Development

Capital grant money was being invested in the creation of additional floor and workshop space.

### Re-site of Hawbush into the town centre.

Feasibility planning for this was underway.

### Covid Social Spaces

Three marquees had been rented to provide additional social space for students. These had been required for longer than originally anticipated and were now being modified to be more suitable for use in the winter.

The Director of Operations and Resources also reported that to date 1300 students had been affected due to Covid issues (positive cases, self-isolating or remote learning due to staffing problems). 70 staff had self-isolated or had positive tests. There was daily contact with Public Health England and the public health team at the local authority.

Governors asked about ventilation in the building and the impact on energy costs. Ventilation systems were under constant review. There was no re-circulating of air through the mechanical processes. Energy costs were increasing.

The Director of Finance & MIS commented on the current furlough arrangements. The majority of the Hub and gym staff had been furloughed since the start of the second lockdown. These venues may re-open when the lockdown ended, but until it was clear which tier Walsall was in, no decision could be made.

Governors **resolved** to **receive** the Resources Report and to **approve** the lease of Pleck library as requested.

## **26.21 HEALTH AND SAFETY ANNUAL REPORT 2019/20**

The Director of Operations and Resources presented the key aspects of his report, which included:

- Retention of ROSPA Gold status in year;
- The continued successful operation of the Health and Safety Committee, with thanks to Alastair Scales, Link Governor, for his contributions;

- That the annual programme of health and safety audits had been completed with positive outcomes;
- That the unions continued to engage positively with health and safety matters;
- That there had been a 36% reduction in the reported incidents.

There was a discussion about the need to take the report to Corporation for approval. The Clerk reminded members of the previous decision to delegate approval to the committee, in the interests of minimising duplication between the work of committees and Corporation. The Director of Operations and Resources expressed reservations over whether this was deemed acceptable in light of ROSPA expectations to retain the Gold standard. It was agreed that this would be clarified and brought back to a future meeting. The report would be included as a paragraph in the next Principal's Report.

Director of  
Operations  
and  
Resources

It was confirmed that there was sufficient budget to address health and safety matters as required. The total spend relating to Covid issues to date was £65k. The impact of Covid on the budget would be subject to a more in depth review at a future meeting.

The Chair asked that Governors thanks be passed to staff for the work that they continued to do in very difficult circumstances.

The Committee **resolved** to **approve** the Health and Safety Annual Report.

#### 27.21 HE FEES

The Head of Finance commented on the written report, which requested approval for the HE fees for college run HNC and HND courses. These were required to be set two years in advance. It was confirmed that fee levels had been retained at the same level for three years and that they were deemed competitive in the local market.

The impact of proposed changes had been considered, as set out in the report. The contribution made from HE courses did not substantially change if the fees were increased, as this was affected more by class size. An increase in fees would allow for greater investment in HE resources.

The proposal was to increase fees to £5,900.

Governors asked whether this was in line with online providers, but this had not been considered to date. It was agreed that this would be an interesting comparison to undertake. It was also felt important to be clear what the target market for HE at Walsall was, and how best to meet those needs.

It was **resolved** that Governors **approved** the HE fees.

#### 28.21 DATE OF NEXT MEETING

It was **resolved** that the next meeting would be held on Tuesday 23 February 2021.

The meeting ended at 1435 hrs.

How Governors challenged management		Impact of meeting on College	
22.21	Questioned the capital expenditure plans and the capacity to deliver them by 31 March 2021.	24.21	Recommended that Corporation approve the signing of the accounts by the Chair and the Principal once KPMG had completed all audit work.
		23.21	Approved changes to subcontractor values.
		25.21	Approved signing of lease for Pleck library.
		26.21	Approved annual Health and Safety Report.
		27.21	Approved HE fees.



26.19	Asked whether the Health and Safety Annual Report was required to be presented as committee as well as Corporation.		
-------	---	--	--