

Minutes Part I

Finance and General Purposes Committee
Part I minutes

Meeting Time and Date	1730 on 12 November 2019
Meeting Location	Room H2, Enfield
Members	Doug Fussell (Chair) Roger McClure (Vice Chair) Heather Barrett-Mold OBE Peter Doble Malcolm Goodwin (Principal) Don Gratton Lady Milnes-Coates
Observers	Christine Bianchin (Academic) Susanne Datta (HR) Damien Fallon (Finance) Steven Girling (Estates)
Minute Taker	Joanne Coffey (Clerk)
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	Action
<p>1. Apologies</p> <p>1.1. Apologies were received for Susanne Datta.</p>	
<p>2. Declaration of Interests</p> <p>2.1. None.</p>	
<p>3. Minutes (Decision)</p> <p>3.1. The minutes were amended to clarify that management accounts were previously monitored by F&GP and continue to be.</p> <p>3.2. It was confirmed that the College's gender pay gap of 12% was for all staff, including the Principal.</p> <p>Resolved to</p> <p>3.3. Approve the minutes of the Finance and General Purposes Committee meeting held on 26 June 2019 as a correct record and authorise the Chair to sign them.</p>	

<p>3.4. Approve the minutes of the Special Finance and General Purposes Committee meeting held on 17 July 2019 as a correct record and authorise the Chair to sign them.</p>	
<p>4. Matters Arising</p> <p>4.1. The Committee requested to view the final Mottingham financial data before it is submitted to the external auditors, Buzzacott, who will perform pre-checks before they are presented to the administrators, BDO.</p>	<p>Finance</p>
<p>5. Review of Terms of Reference (Decision)</p> <p>Resolved to</p> <p>5.1. Accept their standing Terms of Reference and recommend them to the Governing Body for adoption.</p>	<p>Governing Body (Appendix I)</p>
<p>6. Group Management Accounts 31 July 2019 (Decision)</p> <p>6.1. Movement in income and costs have balanced each other out, leaving a small beneficial surplus of £4k, reflecting tight management of budgets throughout the year.</p> <p>6.2. Salary costs were £220k higher than budget. This was the result of the realisation of investments in staff resources that were agreed and put into post over a 2 year period. The College also required more specialist agency staff due to the significant increase in high needs learners.</p> <p>6.3. The management accounts do not include the Local Government Pension Scheme (LGPS) valuation as these adjustments are included in the statutory audited accounts.</p> <p>6.4. The LGPS valuation is based on actuarial assumptions which are subject to change. This year saw an actuarial loss of £807k. £560k of the LGPS service cost adjustment arises from the McCloud/Sargent judgement, which is a high court ruling on changes to LGPS' relating to age discrimination. The ruling has been applied to all public sector pension schemes, such that the entire eligible workforce receives the same benefits as those closer to retirement age.</p> <p>6.5. Without the McCloud deficit, the valuation would have been in line with the previous year. The actuarial valuation is being checked for accuracy but the Committee agreed not to have it independently revalued as retaining and reporting the worst case scenario was prudent.</p>	

<p>8.4. Governors discussed the College’s contingent VAT liability of £61k per year to at least 2025, which would arise through the loss of the VAT exemption should adult student usage of the Animal Care building exceed 5%. Although this is not externally verified, SLT monitor this annually to ensure that both adult hours and headcount criteria are met.</p> <p>Resolved to</p> <p>8.5. Approve the accounting policies and the Report and Financial Statements of Capel Manor College, Capel Manor Limited and Forty Hall Community Vineyard Limited for the year ended 31 July 2019 and recommend them to the Governing Body for approval.</p>	<p>Governing Body (Appendix IV)</p>
<p>9. Financial Management and Control 2020 (Decision)</p> <p>9.1. The College did not meet all the key accounting ratios set for 2018-19 due to the realisation of earlier years’ planned investment to grow the College. Which included:</p> <ul style="list-style-type: none"> a) a Governor approved increase in staff costs to 67%, 2% above criteria b) the impact of staffing costs reducing EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) to below 3% c) significant investment in professional fees for capital projects for buildings, new systems/software and a new website. <p>9.2. To drive the College towards short-term growth, the EBITDA target ratio in 2019-20 was changed to 4%.</p> <p>Resolved to</p> <p>9.3. Approve the key accounting ratios for the College for the year ending 31 July 2020 and recommend them to the Governing Body for approval.</p>	<p>Governing Body (Appendix V)</p>
<p>10. Three Month Management Accounts 30 October 2019 (Decision)</p> <p>10.1. Total costs are within budget by £91k and costs remain within the income generated in the 3 month period.</p> <p>10.2. Income is £161k below the profiled budget. This is because of lower than expected recruitment of HE students (£18k) and lower income from fees from paying adults (£99k). This follows a GLA alteration to the funding rules which allows students with household income of less than to £21k to be eligible for fee remission on their course fees (the equivalent</p>	

<p>Mottingham cohort, and also an increase in Apprenticeship volumes.</p> <p>Resolved to</p> <p>11.4. Approve the revised revenue budget for the year ended 31 July 2020 and recommend it to the Governing Body for approval.</p>	<p>Governing Body (Appendix VII)</p>
<p>12. Report of the Director of Finance (Decision)</p> <p>12.1. The increase in the employers' pension contribution to the Teachers' Pension Scheme (TPS) took effect in September 2019 and has resulted in a monthly increase of £15k. To fund this cost, the ESFA has paid £111k to the College as grant funding for the period September 2019 to March 2020.</p> <p>Resolved to</p> <p>12.2. Approve the list of budget post holders for 2019-20 and authorise the College Financial Regulations to be updated therefor.</p>	<p>Governing Body (Appendix VIII)</p>
<p>13. Review of Finance and General Purposes Risk (Decision)</p> <p>13.1. A simplified risk management process is being recommended to the Audit Committee on 18 November 2019, which would comprise a number of key principal risks.</p> <p>Resolved to</p> <p>13.2. Accept the standing Risk Register.</p>	
<p>14. Report of the Principal (Information)</p> <p><u>Achievement</u></p> <p>14.1. Academic achievement in 2018-19 is higher year-on-year by approximately 1% in all areas.</p> <p>14.2. The College has done slightly better on English and maths but still has a challenge with high grades and remains committed to improving maths and English grades further.</p> <p>14.3. Low Apprenticeship achievement is being analysed through the Business Development Department's self-assessment report to set a completely new vision which will improve both quality and range of provision, including professional short courses.</p> <p><u>Recruitment</u></p>	

<p>14.4. Student recruitment of 2,380 for 2019-20 is currently below its target of overall annual 2,860 although the January/February recruitment is yet to happen. 16-18-year-old recruitment was behind the College target, although it is ahead year-on-year and ahead of the ESFA contract value. It is noted that demographics show it is the lowest point of 16-18-year olds in the population for 25 years.</p> <p>14.5. The potential Mottingham acquisition will trigger a full review of the College’s overall strategic target.</p> <p>14.6. The Vice Principal was congratulated on her first term in full post.</p>	
<p>15. Report on Data Protection (Information)</p> <p>15.1. From spring 2020, the Clerk will report on the outcomes of the Data Protection Officer’s report to management, which will include a breakdown of the College’s compliance for responding to Freedom of Information Requests, Subject Access Requests and any Data Breaches.</p> <p>15.2. A data protection flowchart has been created to demonstrate the full procedure and timings for all areas of data protection requests.</p>	<p>Governing Body Information (Appendix IX)</p>
<p>16. Report of the Estates Director (Information)</p> <p>16.1. An interim Centre Manager, Angela Squilace, has been recruited for the Brooks Farm centre.</p> <p>16.2. The College’s Business Continuity Plan will be completed in January 2020 and presented to the Committee in spring 2020.</p> <p>16.3. The Sustainability Working Group has been re-established from November 2019 with their first task to draft a sustainability and recycling charter.</p> <p><u>Leases and rents</u></p> <p>16.4. The College has completed a bid to lease land at Whitewebbs Park in Enfield. The proposal is to make the whole site available for the public as a British wildlife centre and as a rewilding reserve. Further information can be found in the confidential Part II minutes 20.6-20.9.</p> <p>16.5. A new 25 year lease has been secured at Brooks Farm. The College is working with Waltham Forest Council to establish where it could be involved in the management and maintenance of the adjacent park, which could lead to</p>	

<p>opportunities to expand the College’s offer at Brooks Farm to include Horticulture and Arboriculture.</p> <p>16.6. The Enfield restaurant in 2019 has outperformed comparative 2018 sales in 7 of 9 months.</p> <p>16.7. The London Borough of Bromley has indicated that an outline planning application (OPA) for Crystal Palace will be made by them around January 2020 which will reference every proposal currently under development for the park before any work begins.</p> <p>16.8. The Royal Parks lease for the Regents Park plan is still expected to go ahead as they have expressed their value of the College’s work through a reference for Gunnersbury Park.</p> <p>16.9. Governors relayed the importance of ensuring that the College is involved with Royal Parks’ exploratory discussions to demonstrate how Capel can address any shortcomings.</p>	
<p>17. Report of the Human Resources Director (Information)</p> <p>17.1. There has been a 5% growth in College employees and a reduction in turnover which is creating positive stability.</p> <p>17.2. Although the College’s sickness absence rate increased in 2018-19 by 31%, 50% of these sicknesses are related to 4 long-term cases and so the absence rate was not deemed an indicator of poor morale.</p> <p>17.3. Good progress has been made with diversity, with staff at 17% BAME (Black Asian Mixed Ethnicity) this is more closely aligned with 20% presently of the student population.</p>	
<p>18. Projects and Partnerships (Information)</p> <p>18.1. The College and the Royal Agricultural University (RAU) have agreed to continue their collaboration for 2019-24 and are in the process of negotiating final contracts.</p> <p>18.2. The RAU have requested an increase in fees to £9,250 per students per year. The potential impact on recruitment and student feedback is being considered.</p> <p>18.3. 2019-20 will see the start of the first zoo apprentices in association with ZSL London Zoo pending successful approval of the zoo apprentice standard by the Institute for Apprenticeships (IfA).</p> <p>18.4. Capel are in discussions regarding potential collaboration with the College of Haringey, Enfield and North East London (CONEL) who recently became a London Construction</p>	

<p>Academy hub in recognition of its high quality training, who as part of their bid are looking at more sustainable technologies in construction. This links with Capel when looking into green-roof technology, their design and horticultural maintenance and the need for associated training.</p>	
<p>19. AOB</p> <p>19.1. None.</p>	