














Minutes Part I

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Finance and Resources Committee
Part I minutes

Meeting Time and Date	1700 on 17 June 2020
Meeting Location	Zoom Online
Members	Doug Fussell (Chair)  Peter Doble (Vice Chair)  Roger McClure  Heather Barrett-Mold OBE  Malcolm Goodwin (Principal)  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. None.</p>	
<p>2. Declaration of Interests</p> <p>2.1. None.</p>	
<p>3. Minutes (Decision)</p> <p>Resolved to</p> <p>3.1. Approve the minutes of the Finance and Resources Committee meeting held on 16 March 2020 as a correct record and authorise the Chair to sign them.</p>	
<p>4. Matters Arising</p> <p>4.1. The staff development audit is in process and will be reported to Governors at the autumn 2020 meeting.</p> <p>4.2. Although the full staff satisfaction survey results had been made available to Governors through the Decision Time library, it was agreed that future reports would include it as an appendix as Governors felt the detail was key to discussions.</p> <p>4.3. A matter related to the farming costs within the budget needing to be aligned with its related income had now been completed.</p>	

<p>4.4. The Visitor Centre was renamed the Gateway Building and the Patron of the College was informed.</p> <p>4.5. The new development policy and performance management system had been approved by the working group and is expected to launch in November 2020. It will be built through iTrent, the HR management system, and will be able to interact with the College's QIP, SAR and strategic plan.</p>	
<p>5. Report of the Director of Finance (Decision)</p> <p><u>COVID-19 Government financial support</u></p> <p>5.1. The College decided to not make any redundancies as a result of the pandemic and to continue to pay staff in full for the wages they would have normally earned.</p> <p>5.2. The College successfully registered with the HMRC for grant funding under the furlough scheme. £95k was claimed for the period March – May 2020. A further £40k was expected by 31 July 2020 as College staff were expected to be asked to return to work during this period.</p> <p>5.3. The College had also benefitted from Enfield rates relief. This is worth £42k for the period April 2020 to March 2021.</p> <p><u>Financial Plan</u></p> <p>5.4. The College's Three Year Plan will form the basis for the Integrated Financial Model for Colleges (IFMC).</p> <p>5.5. As COVID-19 continued to create uncertainty in terms of recruitment, the Committee felt that a more conservative approach to Good financial health would be more realistic than Outstanding. Governors noted that this could also be a risk if, for example, a bank loan was required in the future.</p> <p>5.6. It was agreed to reduce the adult income forecast as this would place Capel at the high end of Good financial health.</p> <p>5.7. It was also agreed to include a contingency for the 1% pay award, as guided by the Association of Colleges (AoC). The College remains aspirational to a higher pay award when the financial investment in capital projects has been realised. Capel also recently brought all salaries in-line with the FE sector.</p> <p>5.8. The Chair and Vice Chair of Finance, Doug Fussell and Peter Doble, will support the Finance Director on the completion of the IFMC.</p> <p>5.9. The Executive Director of Finance and IT and his team were thanked for producing a high quality analysis, considering the COVID-pressures on the finance team.</p> <p>Resolved to</p>	<p style="text-align: center;">Finance (Completed)</p> <p style="text-align: center;">Finance (Completed)</p>

<p>5.10. Agree that the Chair and Vice Chair of Finance and Resources will receive the draft July 2020 IFMC for review, which includes the comprehensive spending budget, prior to the principal signing the return on behalf of the governing body, for submission to the ESFA.</p>	<p>Governing Body (Appendix I)</p>
<p>6. Nine Month Management Accounts 30 April 2020 and Projected Year-end Outturn 2019-20 (Decision)</p> <p>6.1. The report to be amended to clarify that:</p> <ul style="list-style-type: none"> a) The management accounts relate to the third calendar quarter. b) The comparison is between the Flex 2 and Flex 3 budgets. <p>6.2. The operating surplus for the period was £379k below the phased budget and the outturn for the year was expected to be a deficit of £1,022k. This had left a trading deficit of £493k due to the writing off costs of the Crystal Palace Project (£529k) and the shutdown of the College due to the pandemic.</p> <p>6.3. Salaries had increased due to the agency staff brought in to support the high needs population growth, which had also been required during the summer 2020 period due to the gradual re-opening of the College.</p> <p>6.4. The College had been conservative with its income projections. Financial KPIs were achieved, other than pay expenditure, which were at 69% (67% target) and EBITDA at 2.6% (target 4%) due to a small loss of £1k.</p> <p>6.5. The Crystal Palace costs will be written off as depreciated capitalisation, rather than as a charge to the profit and loss account. Governors questioned this approach and were reassured that the auditors have agreed to this accounting treatment as it gives more clarity to the annual report that this was not an ongoing issue.</p> <p>6.6. The College will be looking at lessons learned from investing too heavily into projects prior to planning consent confirmation.</p> <p>6.7. The shutdown of the College prevented the shortfall in Apprenticeship income from being recovered. Future enrolments are now expected to be in the 2020-21 academic year depressing adult and Apprenticeship income.</p> <p>6.8. The Forty Hall Farm shop remained open throughout the pandemic lockdown, which resulted in increased demand to further offset losses elsewhere.</p>	<p>Finance (Completed)</p>

<p>6.9. The College continues to manage its finances well against the backdrop of COVID-19 and is awaiting advice on whether the ESFA will financially support a loss of other income.</p> <p>Resolved to</p> <p>6.10. Recommend the group management accounts for the third calendar quarter to 30 April 2020 and the projected year-end outturn for the 2019-20 financial year to the Governing Body for approval.</p>	<p>Governing Body (Appendix II)</p>
<p>7. Planned Capital Expenditure 2020-21 and 2021-22 (Decision)</p> <p>7.1. The south London projects had overspent (£179,175 on Crystal Palace Park and the £134,740 on Mottingham). Overall capital expenditure was expected to be £30,253 within the capital budget set for the 2019-20 year.</p> <p>7.2. The projected funds available for capital investment would be approximately £2m at 31 July 2020, which will mainly be invested in Mottingham and other property/capital bids.</p> <p>7.3. The College is also investing in IT infrastructure and exploring electric minibuses (potentially via leasing) for both economic and environmental benefits.</p> <p>Resolved to</p> <p>7.4. Approve the capital expenditure budgets of £453k and £451k in respect of the 2020-21 and 2021-22 financial years.</p>	
<p>8. Review of Finance and Resources Risk (Decision)</p> <p>8.1. In light of the COVID-19 impact on risk, it had been agreed by the Audit Committee for the Risk Register and the Principal Risks to be updated to include the risk and mitigation of online teaching, home working, commercial digitisation and cyber security.</p> <p>8.2. The College is using consultancy advice to ensure that online learning is fully accessible to all students. The College is also putting in place a subsidised purchase or loan of IT equipment for new students through a bursary fund for the 2020-21 year.</p> <p>8.3. It was requested that the Audit Committee considers whether further clarification, or a new principal risk, relating to the safety of staff and students in relation to protection, health and personal information/GDPR was required, or whether Safeguarding and Health and Safety at Work covered this.</p> <p>8.4. Governors suggested a COVID commentary (or any other current high risk situations) in future reports to maintain focus on the impact and mitigations around current risks.</p> <p>Resolved to</p>	<p>Principal / Audit Committee</p> <p>Principal / SLT</p>

<p>8.5. Update the principal risks and the risk register to better reflect COVID-19 and cyber security, to ensure the main internal and external risks remain fit for purpose.</p>	
<p>9. Annual Review of Tuition Fees (Decision)</p> <p>9.1. The fee increases of 5% was agreed.</p> <p>9.2. Higher Education fees, which are set within the parameters of the Memorandum of Understanding with the Royal Agricultural University (RAU), were raised to £9,250 per annum from 2021, to be in line with all over RAU degrees. The RAU gave evidence that the raising of fees had not had any impact on student uptake.</p> <p>9.3. Governors suggested that the Academic Board considers strategies to add value to the HE students' experience, whilst at Capel's campuses, such as providing free tablet computers, a student bar or other creative perks.</p> <p>Resolved to</p> <p>9.4. Approve the tuition fees for 2020-23 and note the rise to £9,250 for HE fees.</p>	<p>Academic</p>
<p>10. Report of the Principal (Information)</p> <p><u>Future impact of COVID-19</u></p> <p>10.1. The UK is likely to go into a second quarter recession following the COVID-19 financial pressures, which would impact student recruitment and the subsequent employer market.</p> <p>10.2. The College was recruiting vigorously and application numbers for 16-19 year-olds were similar to the previous year. Adult recruitment was slightly behind but, as several courses start beyond January, it was deemed too early to consider impact.</p> <p>10.3. Alternative marketing strategies were being deployed, with virtual Open Days and more online events replacing the tried and tested face-to-face methods that generally work well.</p> <p>10.4. Capel, being London-based, benefits from better access to a more diverse public transport network and more students can live at home whilst studying. Obviously, public transport brings its own COVID challenges, but this travel-to-study model should be in the College's favour in recovery.</p> <p>10.5. Another point to recognise was that the value of green space had never been more important. Not only have more members of the public come to value the 'great outdoors', perhaps more politicians and public servants have seen the necessity of open spaces and the role they have in a healthy (in every sense) society.</p>	

<p>10.6. The Chancellor had also been discussing the green economy as part of recovery, which suggested that green skills may have been elevated up the political agenda. The Chair of Governors took part in an online webinar that reinforced that London was focused on the green economy. This combined with the need to upskill Londoner's, following COVID's impact on unemployment, further supports this prediction.</p> <p>10.7. The report to be corrected to clarify that certain jobs cannot be worked from home.</p> <p><u>Institute of Technology</u></p> <p>10.8. In 2018, the College submitted a bid to the Department for Education to form an Institute of Technology. This was to be based at The Regent's Park, in partnership with the Royal Agricultural University and with key partners in London including ZSL London Zoo, The Royal Parks, The London Wildlife Trust, and others.</p> <p>10.9. Capel's bid was unsuccessful as it had not been able to acquire relevant partnerships in the short space of time.</p> <p>10.10. The government recently released a second phase of bidding for Institutes of Technology and this had been picked up by the UKIC Skills Concordat. After preliminary conversations between the UKIC and all colleges, a partnership had arisen between 4 colleges namely, Ada (the National College for Digital Skills), Capel Manor College, Capital City Colleges Group, and Waltham Forest College.</p> <p>10.11. On behalf of the partnership, UKIC, have created a Memorandum of Understanding to submit an Expression of Interest for a new Institute of Technology to the Department for Education. If the College is interested in pursuing this joint venture, the Memorandum of Understanding will be signed by the Principal.</p>	<p style="text-align: center;">Principal (Completed)</p>
<p>11. Marketing and Fundraising (Information)</p> <p>11.1. The College's new website and branding had been very well received.</p> <p>11.2. The functionality for online applications had been crucial to be able to continue to recruit during COVID lockdown. Those colleges who did not have this facility had been significantly impacted.</p> <p>11.3. The Vice Principal and her team held a Virtual Open Day which had been very successful with high attendance.</p> <p>11.4. The Principal suggested an autumn 2020 review on marketing's effectiveness on recruitment which will be presented by the Head of Marketing and Communications, Angela White.</p>	<p style="text-align: center;">Principal / Marketing</p>

<p>12. Report on Data Protection (Information)</p> <p><u>Personal Data Breach</u></p> <p>12.1. The College had received 5 reported personal data breaches during January-April 2020.</p> <p>12.2. Only one breach posed a potential future risk, which was a Zoom online meeting interception by a third party. This was no longer deemed a risk due to the Zoom platform's increase in security and the option to 'lock' out uninvited guests.</p> <p>12.3. There was no significant increase in data breaches in 2019-20 compared to the previous year.</p> <p><u>Freedom of Information and Data Subject Access requests</u></p> <p>12.4. The College had received one Freedom of Information (FOI) request and received and complied with one Data Subject Access Request (DSAR).</p> <p>12.5. There was no significant increase in FOI and DSAR requests in 2019-20 compared to the previous year.</p> <p><u>Compliance</u></p> <p>12.6. As at 30 April 2020, the Clerk confirmed that the College was 100% compliant in all areas of Data Protection.</p>	
<p>13. Report of the Human Resources Director (Information)</p> <p>13.1. During the COVID-19 lockdown, HR's key concern was the wellbeing of staff. Most staff worked from home and 39 non-funded staff (12% of workforce) were furloughed through the Coronavirus Job Retention Scheme (CJRS).</p> <p>13.2. 48 members of staff who needed to self-isolate prior to the Government lockdown, on 23 March 2020, were now either back at work or working from home.</p> <p>13.3. Staff had received frequent guidance whilst homeworking including online training, daily exercises, mental health awareness, health and safety guidance and video guidance on display screen equipment.</p> <p>13.4. HR also considered staff with childcare responsibilities by implementing flexible homeworking and non-standard working patterns, to ensure that staff could work from home and were</p>	

<p>exposed to the minimum risk possible if they were required in the workplace.</p> <p>13.5. In preparation for a return to some onsite teaching, all teaching and learning support staff were contacted by HR to discuss the measures taken to make the workplace COVID-secure, and to reassure them of the precautions in place. Following these conversations all relevant staff, including those who were clinically vulnerable, were both willing and able to return.</p> <p>13.6. For further assurance, the College also carried out an anonymous survey to receive feedback on how staff felt that the College and SLT had dealt with the pandemic and that they felt confident to return. SLT will maintain an ongoing open dialogue with staff to ensure that the COVID-secure measures are working and, if not, they can advise on what is needed.</p> <p>13.7. The Sickness and Annual Leave policies were adapted to ensure that COVID-related absence did not impact sickness/absence allowance or affect pay.</p> <p>13.8. The College had now been registered to manage its own COVID-19 testing, or staff could choose to self-refer.</p> <p>13.9. Governors requested clarification on Safer Recruitment requirements. It is a safekeeping statutory requirement for at least one interview panel member to be trained in the risk assessment of staff who will be working with children. This includes such measure as Disclosure and Barring Service (DBS) pre-checks and assessing gaps in working history.</p> <p>13.10. The HR Director was thanked for a very comprehensive report.</p>	
<p>14. Projects and Partnerships (Information)</p> <p>14.1. The College renewed its partnership arrangements with the RAU with a new Memorandum of Understanding 2020-24.</p> <p>14.2. The College had agreed with the RAU to increase Higher Education fees to come into line with the other degrees offered by the RAU and its other partners (see also 9.2).</p>	
<p>15. AOB</p> <p>15.1. None.</p>	

APPROVED MINUTES			
CHAIR:	Peter Doble	DATE:	24 November 2020
APPROVAL:	Remote confirmation: CONFIRMED Or signed:		