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 Online

Finance and Resources Committee Minutes

Meeting Time and Date	1700, 24 November 2021
Meeting Location	Zoom Online
Members	Peter Doble (Chair)  Heather Barrett-Mold OBE  John Gayer  Malcolm Goodwin (Principal)  Lady Milnes Coates  Ralph Luck  Roger McClure 
Observers	Gladys Gafrey-Umeh  Paulina Balogun  Christine Bianchin (Academic)  James Bryan (HR)  Damien Fallon (Finance)  David Scott (Estates) 
Minute Taker	Joanne Coffey (Clerk) 
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	Action
<p>1. Welcome and Apologies</p> <p>1.1. No apologies were received.</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 23 June 2021 as a correct record and authorise the Chair to approve them.</p>	
<p>4. Matters Arising</p> <p>4.1. The Staff budget will be completed by spring 2022.</p> <p>4.2. As termly updates on the Level 4 teacher training strategy are provided in HR updates to Governors, this matter was completed.</p>	
<p>5. Report of the Finance Director (Decision)</p> <p><u>Contingent liability - Enfield</u></p>	

<p>5.1. The College continued to ensure that only 16-18 year old students are trained in the Princess Royal College of Animal Management and Saddlery, London to prevent the contingent VAT liability from crystallising should 19+ students be taught in this building. The ratio for 2020-21 was 96% (2019-20 was 95.7%) 16-18 usage.</p> <p><u>Enfield Local Government Pension Scheme (LGPS)</u></p> <p>5.2. The outcome of the Enfield pension scheme valuation did not significantly change in 2021, even though net costs were higher at £1.5m, compared to £900k in 2020. This was due to an actuarial investment gain of £1.8m. Although this was favourable, providing £170k surplus, the investment gain is not assured to repeat in future years, hence, costs remained a challenge.</p> <p><u>ESFA audit of the 2020-21 individual learner records (ILR)</u></p> <p>5.3. The College was randomly selected for an audit by the Education and Skills Funding Agency (ESFA) of its 2020-21 ILR to be conducted between 22 and 26 November 2021, with a deadline of 31 January 2022 for the final report to be with the ESFA.</p> <p>5.4. Earlier in the year, the College had also been selected for audit of the adult funding by the Greater London Authority. This meant that Scrutton Bland reduced the level of its internal audit work on the ILR on the basis of this audit.</p> <p>5.5. As the results of the ESFA audit are not expected until next year, Buzzacott could not sign the audited financial statements until the outcome of the ESFA audit has been reported.</p> <p>5.6. As the ESFA audit restricts the signing and submission to the ESFA by the 31 December 2021 deadline, Buzzacott advised that an extension was sought from the ESFA to allow documentation to be filed by 31 January 2022 or, ideally, 28 February 2022. The College had not yet received a response.</p> <p>5.7. The Committee agreed that, once the outcome of the audit was known, and any impact on the annual financial statements had been shared with the Committee, that if any member required further discussion that an ad-hoc Finance and Resources Committee meeting would be arranged.</p> <p>Resolved to</p> <p>5.8. Finance and Resources Committee to potentially hold an ad-hoc meeting, at the request of any member, following receipt of any documentation that required revision as a consequence of the findings of the RSM ILR audit that will be conducted on behalf of the ESFA.</p> <p><u>Key Accounting Ratios 2021-22</u></p> <p>5.9. The adjusted current ratio target was retained at \geq 2.5:1, higher than the Education and Skills Funding Agency (ESFA)'s expected rate of \geq 2.0:1, as the College was continuing to meet this parameter and Governors felt that it created momentum.</p>	<p style="text-align: center;">Clerk</p>
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<p>5.10. The Committee agreed to also retain the adjusted cash days in hand target at 30 days. Management had suggested to increase to 40 days when not in a capital programme but, as this would not apply for 2021-22, this was not deemed necessary to change.</p> <p>5.11. EBITDA target was retained at 6%.</p> <p>Resolved to</p> <p>5.12. Finance and Resources Committee approve the proposed key financial ratios for the 2021-22 year.</p>	
<p>6. Group Management Accounts 31 July 2021 (Decision)</p> <p>6.1. The budget outturn for 2020 had generated a £544k surplus and the College was in Outstanding financial health.</p> <p>6.2. The ESFA had reconciled the 2020-21 R14 return and advised a reduction of £25k in grant income for 2020-21. This is not material to the published results.</p> <p>6.3. A business case had been made by the College to the GLA to mitigate any funding clawback. A response is due in the first week of December.</p> <p>Resolved to</p> <p>6.4. Accept the group management accounts for the year ended 31 July 2021 and recommend them to the Governing Body for approval.</p>	<p>A: Governing Body (Appendix I)</p>
<p>7. External Auditors' Letters of Representation 31 July 2021 (Decision)</p> <p>7.1. The Letters of Representation for Capel Manor College, Capel Manor Limited (CML) and Forty Hall Community Vineyard Limited (FHCVL) confirm to the financial statements auditor (Buzzacott), the representations received from management in completing their audit of the accounting records that they rely on in forming their opinion on the financial statements.</p> <p>7.2. The Finance and Resources Committee had responsibility for the content of all the letters other than the sections on Fraud and Regularity assurance within the College letter, which remain the responsibility of the Audit Committee.</p> <p>Resolved to</p> <p>7.3. Approve all the letters of representation (other than sections 4 and 16 of the College letter of representation) for the year ended 31 July 2021.</p> <p>7.4. Recommend to the Governing Body that the Chair of Governors and the Principal be authorised to sign the Letter of Representation in respect of the College.</p> <p>7.5. Recommend to the Governing Body that the Principal be authorised to sign the Letters of Representation in respect of Capel Manor Limited and Forty Hall Community Vineyard Limited in his capacity as director of those companies.</p>	<p>B: Governing Body (Appendix II)</p>

<p>8. Report and Financial Statements 31 July 2021 (Decision)</p> <p>8.1. The Audit Committee had approved the regulatory information at their meeting on 15 November 2021.</p> <p>8.2. The Finance and Resources Committee had responsibility for the Strategic Report and the financial pages with accompanying notes of the College accounts and for the full content of the Capel Manor Limited and Forty Hall Community Vineyard Limited (FHCV) accounts.</p> <p>8.3. In a response to the reason why creditors had increased in value, the release of deferred income capital grants had increased from £73k to £148k. Provision has been made to return grants not earned to The Greater London Authority (GLA: £173k); of which the College is applied for £100k to be rolled into 2022. The College occasionally receives bequests and these donations are released as the College completes the activity to which they fund.</p> <p>8.4. As only the College’s limited company accounts are received by the Committee, options were discussed for further Governance oversight. It was agreed that a new spring report would include the limited companies’ current position and the minutes of the Annual Board Meetings.</p> <p>Resolved to</p> <p>8.5. Approve the accounting policies and the Financial Statements of Capel Manor College, Capel Manor Limited and Forty Hall Community Vineyard Limited for the year ended 31 July 2021 and recommend them to the Governing Body for approval, pending any revisions following the RSM audit.</p>	<p>Clerk / Principal</p> <p>C: Governing Body (Appendix III)</p>
<p>9. Three Month Management Accounts 30 October 2021 and year end projection (Decision)</p> <p>9.1. The operating surplus is £1.2m for the first quarter which was £115k below the phased budget. The net asset position on the balance sheet had increased by the surplus for the period by £1,245k.</p> <p>9.2. Some College areas, such as Apprenticeships and HE were not financially performing well and others, such as, catering and autumn events had done well.</p> <p>9.3. Staff vacancies had significantly risen which was creating a need for costlier agency staff, including some managerial roles that had even more financial impact. Agency costs were, therefore, £71k ahead of the phased budget</p> <p>9.4. The College had received £600k gross (pre legal fees of just over £12k) for the granting of access rights to the College’s land at 66 The Ridgeway, Enfield.</p> <p>9.5. The period to be re-titled ‘Period 3, Oct 2021’.</p>	<p>Finance (Completed)</p>

<p>9.6. As the projected year-end surplus had decreased significantly from £325k to £6k, the Committee discussed how this may be improved.</p> <ul style="list-style-type: none"> a) High needs learners had increased to 223, compared to the previous year of 184, this would increase funding from local authorities and the College would manage the need for matching resources to minimise equivalent costs. b) Quarterly monitoring of expenditure with budget-holders to restrict spending as needed. This had been successful in 2020-21. c) Professional training courses are being planned at the College which will create a substantial income. d) Forty Hall Farm is in the process of acquiring a licence to keep beavers. This was expected to increase publicity and commercial sales. e) The events and commercial team had returned to full operations and had been generating good profits from its new events programme. This will also link in to a new commercial website being developed for Capel. <p>Resolved to</p> <p>9.7. Accept the group management accounts for the first calendar quarter to 31 October 2021 and recommend them to the Governing Body for approval.</p> <p>9.8. Approve the revised revenue budget for the year ended 31 July 2022 and recommend it to the Governing Body for approval.</p> <p>Gladys Gafrey-Umeh joined meeting.</p>	<p>D: Governing Body (Appendix IV)</p>
<p>10.66 The Ridgeway (Decision)</p> <p>10.1. The College's freehold greenbelt land asset at 66 The Ridgeway was bequeathed to the College by the Arnold Foundation and has a legal covenant attached to the title. This restricted the sale of the adjacent land for any other purpose other than a residential care home for less-able bodied people.</p> <p>10.2. The owners of this adjacent land had decided to sell their land and property and, following protracted negotiations with the College, regarding compensation for the full release of the restrictive covenants and to agree shares of current and future net profits, the legal agreements were now complete and payment received.</p> <p>10.3. The College received a payment of £588k which is the consideration less than just over £12k costs taken by the College's solicitors Duffield Harrison</p> <p>10.4. The College gave thanks to Duffield Harrison and particularly, their partner David Harris for stoically supporting the College through complicated and difficult negotiations.</p>	

Independent Advisor

- 10.5. To evaluate the LCD valuation more thoroughly, the College approached some well-known real estate agencies to get valuations and advice about the potential sale and terms. These conversations proved to be unrevealing, complicated and potentially very pricey. At the same time, the Principal was introduced to an Independent Advisor through a former staff member. The adviser had not had any prior contact or dealings with the College, or the Principal, before that introduction.
- 10.6. This introduction was made because the Advisor has over 30 years' experience in property / property development and, being a local resident all his life, knew the land at 66 Ridgeway, the local market, the seller, the seller's agents and the likely buyers. Initial conversations proved to be much more enlightening and effective than similar conversations with the well-known estate companies.
- 10.7. The Independent Advisor:
- a) Provided an independent view about the offer, the background and circumstances, the legal paperwork and correspondence attached to the land title, the College's ownership and prior discussions about the land.
 - b) Identified the importance and implications of the covenant which had value above and beyond the land or the potential for development. The covenant provided the means to negotiate, not only monetary compensation for its release, but also terms relating to any potential sale of Capel's land at 66 The Ridgeway, the potential for planning permission and development of Capel's land and overage terms.

It should be noted that the owner had previously sought to sell their land 10 years before and this had been effectively written-off by the College.
 - c) Played an irreplaceable role throughout the negotiations, offering advice at every stage and being the go-between between the College and the owner, dealing directly with their agent and acting as the College's agent.
 - d) Gave a tremendous amount of his own personal time to help the College throughout the negotiation that has lasted for 12 months. This has included time spent in talking to the agents, meeting with solicitors, undertaking research about the buyers, the proposed development and with the planning department in Enfield, and reading/interpreting legal documents.
- 10.8. As the initial contact was not a formal arrangement, a contract was not put in place as the Advisor was simply offering another point of view. However, because his initial insights proved so valuable the College continued to seek his advice and so the time spent increased.
- 10.9. At several points along the way it seemed that the whole negotiation would fall apart so there never seemed to be an

<p>appropriate juncture to formalise a relationship with the Advisor until terms started to emerge.</p> <p>10.10. The Chair of Governors met with the Advisor and took Chair's Action to proceed, where the Advisor had acquitted himself as a fit and proper person to be advising the College.</p> <p>10.11. Given these circumstances neither the College nor the Advisor kept a log of the actual hours given to the College. However, it is the quality of the advice rather than the hours that counts.</p> <p>10.12. This advice led to £600k income for the College now, but the agreed terms have potentially paved the way for something much more valuable. The College has not only retained its land holding at 66 The Ridgeway the College is benefitting from an overage agreement, it has significantly improved both the likelihood of development and the potential value that might be realised if our land is ever developed, all of which could mean the College may benefit by millions of pounds.</p> <p>10.13. The College is under no obligation to recognise the contribution that the Advisor has made or to compensate him for the time invested in helping the College, but it would be right and proper that it does. The Advisor identified the opportunity in the first place, was part of the negotiations throughout and undertook many helpful actions above and beyond the main negotiations, giving more than twice the amount of time the solicitors gave. Beyond that, the value that DC 'released' could potentially run to several millions of pounds in the future.</p> <p>10.14. As there is no formal agreement with the College, nor a log of hours and activities, the Advisor cannot be paid in the usual ways. The Committee had a full discussion about how a payment should be determined and categorised.</p> <p>10.15. It was clarified that the College already had a precedent for <i>ex gratia</i> payments for contracted individuals. However, Governors felt that the payment should be for services rendered rather than <i>ex gratia</i>.</p> <p>10.16. Governors acknowledged the immense value of the work that had been carried out but requested that a calculated evaluation be made supported by reference to external benchmarks, e.g. the Government agency, Crown Commercial Services.</p> <p>10.17. It was agreed for Ralph Luck and John Gayer to work with the Chair of Governors and SLT to research this further before making any recommendation to the Full Governing Body.</p> <p>10.18. The Finance Director to forward the College's procurement policies to these Governors.</p> <p>10.19. The outcome of this research will also determine any recommended revisions to the College's Financial Regulations.</p> <p>Resolved to</p> <p>10.20. To recognise the assistance given to the College by the independent advisor and to agree a way to compensate for</p>	<p>Principal</p> <p>Finance (Completed)</p> <p>Finance</p> <p>Principal</p>
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<p>the time given, using the funds from the negotiated settlement, (by email) and recommend this to the Governing Body (by email) for approval.</p> <p><u>Public interest</u></p> <p>10.21. The Board had previously identified that the public, and particularly the residents very close to 66 The Ridgeway, would have a particular interest in any land sales or developments relating to or affecting Green Belt land such as 66 The Ridgeway.</p> <p>10.22. A representative of some of the local residents to 66 The Ridgeway, and especially those on Crofton Way whose gardens overlook Capel’s land, had a meeting with the College to request that they are gifted the land and that they would jointly care for it. They also offered legal restrictions to prevent them or subsequent homeowners from profiteering.</p> <p>10.23. The homeowners noticed that the College had not be able to access and maintain the land as much as we had in the past.</p> <p>10.24. It was the College’s view that giving away ownership on those terms would not be serving the College well. However, it was recognised that access and maintenance needed to be resolved.</p> <p>10.25. Site access was expected to remain a long term issue until the development was complete. The Committee discussed alternative ways of allowing for the residents to upkeep the land but no viable options were found.</p> <p>10.26. The Committee agreed that the College politely write and decline the offer and to continue to seek ways to resolve the maintenance issues, particularly in terms of health and safety.</p> <p>Resolved to</p> <p>10.27. Ask the officers to reply to the local residents to say that Capel Manor will retain ownership of 66 The Ridgeway for the time being and politely decline the offer from the consortium of homeowners on Crofton Way.</p> <p>Paulina Balogun joined the meeting.</p>	
<p>11. Report of Human Resources (Decision)</p> <p><u>Staff Turnover</u></p> <p>11.1. Staff turnover for the academic year 2020-21 was 13.1%. However, for the 12 months prior to 31 October 2021, the turnover was 19.9%. The represents an increase of 4.5% since the report of 1 June 2021.</p> <p>11.2. Total leavers in the 12 months prior to 31 October 2021 was 91, with 58 from resignation.</p> <p>11.3. Impact was felt stronger in the unfilled teaching posts and smaller departments, such as Student Services and the Exams Team.</p>	

Recruitment

- 11.4. In the 12 months to 31 July 2021, Capel advertised 107 vacancies, some being adverts for multiple posts, generating 1,225 applicants. 442 people were shortlisted, and 114 appointments were made.
- 11.5. Of the 107 vacancies, nine (8.4%) were not advertised and no appointment was made for 15 (14%).
- 11.6. The percentage of external appointments was 82.2%.
- 11.7. The average 'time to fill' rate (from advertising to start date) is 10-12 weeks. It was clear that the recruitment process required overhaul. The approval process had been redesigned as a first step and is awaiting upgrades in the iTrent software to facilitate the necessary changes.
- 11.8. The Committee discussed the recruitment and retention challenges that were also a national labour market issue, across the board, and were of a particular issue for landbased colleges. This is thought to be connected to the post-Covid and post-Brexit impact on changes to people's lifestyle and career outlooks.
- 11.9. Some new staff had resigned within weeks of beginning their roles. More clarity at interview stage on the expectations of the candidates and improvements to staff inductions may help this but it is also reflective of applicants with choice exercising it. Capel were continuing to offer hybrid ways of working, where this aligned with pedagogical need, but competing colleges may be able to offer more agility, particularly if not landbased.
- 11.10. The quality of candidates was also lower than in recent years and finding good calibre temporary staff had become a challenge. This had resulted in teaching managers having to teach students themselves, which has created an additional level of strain on staff.
- 11.11. Exit interview analysis revealed that low pay was a strong factor for leavers. The changes in outlook post-Covid had also led to many staff retiring earlier than planned.
- 11.12. Management reassured the Committee that some vacant roles were now in the process of being filled and that it was not yet of the severity that courses would need to be cancelled. However, it was imperative that the situation is closely monitored to not limit Capel's operation.
- 11.13. The sickness absence rate during the 12 months prior to 1 November 2021 was 7.8 days. For the 12 months prior to 1 June 2021 this was 5.83 days.
- 11.14. Covid related sickness accounted for 25% of cases. This did not include staff who could continue to work from home due to self-isolation.
- 11.15. Absences connected to mental health were also around 25% of the total so this was being carefully monitored.

<p><u>Equality, Diversity and Inclusion (EDI)</u></p> <p>11.16. The College aspires to have a more diverse workforce to align with the student population. This aligns with the College’s strategic objective for the College’s staff and students to be, at least, equal to in terms of ethnic diversity.</p> <p>11.17. It was recognised that a more radical approach to recruitment may be needed to address this disparity.</p> <p>11.18. It was clarified to Governors that the diversity issue with staff was not concentrated in any core, or specific, areas.</p> <p>11.19. In terms of student diversity, Capel is leading the way in building ethnicity into the landbased industry that it supports, where its traditional nature has not historically attracted a diverse workforce.</p>	
<p>12. Staff Pay Award (Decision)</p> <p><u>Background</u></p> <p>12.1. Ordinarily, the Association of Colleges (AoC) receives a ‘pay claim’ from the Trade Union bodies represented in further education (FE) and provides member colleges with a recommendation in response to the resulting national pay ‘negotiations’. For several years, this has been a recommendation for 1% cost of living pay increase or a minimum of £250 (whichever is greater) for all staff.</p> <p>12.2. AoC member colleges are not bound to accept those recommendations. The situation at Capel is additionally nuanced by there being no formal trade union recognition agreements or local negotiating arrangements in place. The AoC recommendations are national and do not consider the specialist nature of Capel, the London location, and the dispersed geographical footprint of the college; all of which may have an adverse effect on the (perceived) value of the award by staff.</p> <p>12.3. Whilst the FE sector-specific negotiations are important, colleges are free to determine their own ‘cost of living’ award for staff. This year, there are several important additional factors that need to be considered.</p> <p>12.4. It should be noted that the College is currently in the process of offering all remaining transferees from Hadlow College the opportunity to transfer to their Capel equivalent contractual terms and salary spine points.</p> <p>12.5. Staff recruitment, whilst often difficult at Capel, is currently exceptionally so. The College recently experienced its first ever full week with not one application for any advertised role. The number of roles that are being advertised multiple times has increased and the quality of candidates that do apply is increasingly poor. Partly pandemic related, partly Brexit, and a possible a mix of other factors have led to a record number of vacancies at this time: over 1 million job vacancies in the UK including 60,000 teaching vacancies (Office for National</p>	

<p>Statistics, UK labour market: September 2021). Retaining staff is critical when vacancies are high and pay is a key part of that.</p> <p>12.6. There is limited scope to transfer non-pay budgets into pay as the non-pay budgets have been set at levels that already require a combination of efficiency, effectiveness, and economy from budget holders.</p> <p>12.7. The College has recruited 92% of the ambitious target set for the recruitment of school leavers for 2021-22 and is likely to recruit the full target of adult students. There is a shortfall in the number of higher education students. The number of Apprentices has been lower than anticipated because of issues from the pandemic / introduction of standards.</p> <p>12.8. There is a possibility that, given a greater than 100 increase in the number of school leavers this year compared to last, Capel may be eligible for an in-year payment from the Education and Skills Funding Agency (ESFA). Additional funding for young people will be secured in 22-23 as a result of the lagged funding methodology. Also, staff will be aware of the windfall received from the release of the covenant attached to 66 The Ridgeway, although this will not recur each year.</p> <p>12.9. In the last few months, several FE colleges have experienced industrial action over pay. AoC has recently reported that four colleges have now averted strike action by announcing they are to reconsider their stance on adopting a 1% increase. Whilst strike action is unlikely at Capel, the sentiment that leads to such action will be present in some measure and the consequences of that should not be underestimated. For that reason, the option has been included but is not recommended by the senior leadership team.</p> <p>12.10. The AoC pay survey closed recently so the results are unknown at the time of writing. SLT did consider waiting until those results are published and taking any pay award to the next round of Governors meeting but were advised by senior managers that the timing of this is too important to delay. The survey results are unlikely to add much to what is already known or could be anticipated.</p> <p>12.11. Whilst there are clearly direct costs attached to any pay award, the College faces a significant risk by not giving a pay award as well as hidden and indirect costs of not increasing pay. Capel (as have most FE Colleges) have had a prolonged period of pay stagnation / decline in real terms, there are imminent further increases to the cost of living, and we are just emerging from an exceptionally difficult period in the COVID crisis.</p> <p>12.12. If we are to maintain our current progress and work towards our strategic aspirations, we need to attract and retain a highly able and well-motivated workforce. Hence, there is no "Option 0" for no pay award. In light of this, the senior leadership team are recommending a pay award above the norm we have given over the last few years.</p>	
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<p>12.13. Several options for increasing staff pay across the board were presented. These included various percentage increases for all staff, focused pay rises to address more specific differentials and longer-term, phased increases to improve pay.</p> <p><u>Committee discussion</u></p> <p>12.14. The Committee had a full and robust discussion around the staff cost of living award options. The Committee appreciated the importance of ensuring staff are properly remunerated and that pay was a particular factor in difficulties to recruit in shortage areas. However, the Committee was concerned that no means of funding a larger pay increase was presented.</p> <p>12.15. Governors were all in support of a phased approach to pay rises (Option 3 of those presented).</p> <p>12.16. The Committee also discussed how a 3-year flexible plan, where years 2 and 3 are not yet confirmed, could be more carefully calibrated against future cost increases and, thus, more controllable. They noted the conditional nature of the following two years may also motivate staff into becoming more involved with the achievement, but needed further costings before they could agree on the actual pay increases.</p> <p>12.17. It was determined that the Committee needed to see some scenarios of how the costs would be managed before they could recommend an option to the Governing Body. This should include more information about how higher salaries might attract permanent staff to offset the relatively high agency costs.</p> <p>12.18. Management highlighted how significantly improved remuneration would send a strong and supportive message to staff to show that they are valued, particularly during this difficult time when inflation is currently at 4.2% and the new 1.25% social care levy would be impacting them further from 2022.</p> <p>12.19. It was also imperative to attract new staff given the recruitment issues already discussed.</p> <p>12.20. There is also a pay disparity in favour of most schools and universities compared to FE which does need to be taken into consideration.</p> <p>12.21. Other options discussed included a continued assurance on job security and goodwill payments, particularly the latter if any delays to the decision were required.</p> <p>12.22. To confirm affordability and to give reassurance on financial health, it was agreed that SLT would provide a simplified, financial forecast (potentially based on hourly agency costs saved) for Options 2 and 3 (presented), to be circulated to the Committee, either ahead of the Governing Body meeting on 15 December 2021, or by email.</p> <p>12.23. If the Governing Body approved the updated proposals, then this would allow for the outcome to be reported to staff before Christmas.</p>	<p>Finance / HR / Principal</p>
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<p>Resolved to</p> <p>12.24. Circulate a forecast of Options 2 and 3 to the Committee, prior to a recommendation to the Governing Body of either:</p> <ul style="list-style-type: none"> a) A 10% increase for all staff spread over three years, a 5% increase in year one followed by 2.5% in years two and three (Option 3). b) As above (Option 3) but with a 3% increase in year one. c) A 3% increase for all staff (Option 2). d) Other measures for targeted remuneration packages for hard to fill posts. 	<p>Governing Body: To be conducted later by email</p>
<p>13. Report of the Principal (Information)</p> <p><u>Academic Performance</u></p> <p>13.1. Overall achievement in 2020-21 was 84.8%, 3.1% down year-on-year. This was a particular disappointment as the previous year the College had made progress towards reaching its goal of 90%.</p> <p>13.2. Student retention out-turned at 94.9% and 87.9% of the students reached positive progression.</p>	
<p>14. Marketing and Fundraising (Information)</p> <p>14.1. Governors felt that the first draft of the Fundraising Strategy provided the necessary content.</p>	
<p>15. Report of the Vice Principal (Information)</p> <p>15.1. In 2020-21 the College had 982 16-18 year old students, 4.2% below the ESFA minimum headcount target of 1,025.</p> <p>15.2. The final amount of funding generated by these students for 2020-21 stood at £8,486,334, which was 4.1% (£364,752) below the 16-18 Funding Allocation.</p> <p>15.3. The final 2020-21 ESFA funding for adult students stood at £427,463 which represented 98.7% of the ESFA Adult Allocation.</p> <p>15.4. As a result of the Covid-19 pandemic the ESFA had introduced a 90% threshold guarantee, as a result the College will receive the full contract value of £433,155.</p>	
<p>16. Report of the Estates Director (Information)</p> <p>16.1. The College has been informed that its bid for £706,000 to build the Foundation learning building through the Post 16 Capital Fund Bid was unsuccessful. The feedback has been noted and will be useful in refining future bids.</p> <p>16.2. A submission has been made to the EFCS Capital Transformation Fund for £2,570,820 representing 29% of the total Nottingham/Crystal Palace project cost. The award decision is expected in February 2022 but it is hoped an indication in regard to the College submission may be available late November 2021.</p>	

<p>16.3. Rents on College accommodation have not formally been reviewed since 2019. The rent charged is based on figures from the Office of National Statistics (ONS). The ONS figures for September 2021 indicate that London rental rates have remained stable over the previous twelve months reducing by 0.3%. Given this no increase in rent is planned for the coming year.</p>	
<p>17. AOB</p> <p>17.1. None.</p>	

APPROVED MINUTES			
CHAIR:	Peter Doble	DATE:	9 March 2021
APPROVAL:	<p>Remote confirmation: CONFIRMED</p> <p>Or signed:</p>		