

Minutes of the Resources, Integration and Change committee  
held on Tuesday 26<sup>th</sup> January 2021

Present: Jim Webster (Chair)  
John Arnott, Simon Cove, John Dernie, Carole Kitching, Keeran Vetriko

With: Stephen Horrobin, Deputy Principal Finance and Resources  
Tracy Scaife, Head of Governance

36. Apologies for absence – none received.

37. Disclosures of interest – none received.

38. Minutes of last meeting held 30<sup>th</sup> November 2020 and matters arising – agreed as a correct record. Matters arising raised as follows:

(a) 22. Risk Management update – the Deputy Principal Finance and Resources advised the meeting that the Vice Principal Business Development and Employer Engagement and the Head of Partnerships have had discussions with BIMM and have verbally agreed with them to pay the over-performance in the next academic year. Written confirmation of this agreement is being sought and an update will be given to the next meeting of the committee.

***ACTION:*** CB/PJ to seek written confirmation from BIMM of agreement to pay over-performance in the next academic year.

(b) 29. Integration update – the Principal advised that the new staff structure charts are being worked on by the HR Team and should be available to circulate to governors within the next couple of weeks.

***ACTION:*** CK to circulate new staff structure charts to committee as soon as available.

39. Risk Management update – report by Deputy Principal Finance and Resources received and noted.

It was also noted that a further deterioration in AEB funding (circa £400k) is expected bringing the overall high-level estimate bottom line impact to circa £800k for this segment. At the end of the 2019/20 academic year the ESFA temporarily amended their funding rules and there was no clawback of funding as long as a threshold of 68% of AEB funding was achieved. They have also committed to a further announcement at the end of the month. The Principal advised that the majority of colleges are of the opinion that they will not achieve 100%. There remained the possibility that the £800k risk would be mitigated if the ESFA re-instigated a similar approach to 2019/20.

The progress made with the two litigation matters transferred from former Swindon College was noted.

40. IoT update – verbal report received from the Deputy Principal Finance and Resources.

It was further noted that there is currently a six week delay on the project. This is challenging and no further delays can be fitted into the project timeline. Funding shortfalls were noted. Lengthy discussions have been held with the DfE and a further funding amount of £418k has been agreed in principle for the project (subject to more senior approval). They have also agreed that the £500k for furniture and fittings can be kept and £400k vired to cover the cost from within the equipment pot. The Principal advised that the curriculum needs to be looked at and adapted to fit with the accommodation that will be available in September 2021. The marketing launch for the IoT needs to go ahead as planned.

A meeting of the IoT Sub-Group is to be held on Thursday 28<sup>th</sup> January 2021 and a report on the project will be presented to the Corporation on 9<sup>th</sup> March 2021.

***ACTION:*** SH/CB to present IoT update to Corporation 09.03.2021

41. Management Accounts – Period 4 – November 2020 – report by Deputy Principal Finance and Resources received and noted.

It was further noted that the college will not breach the current loan covenants at the next test. The committee asked for more details on the covenant updates at future meetings. The £96k saving reported against the provision for merger is a permanent saving.

A discussion was held with regard to aligning the budget with the time lapse of the merger. The Deputy Principal Finance and Resources advised the meeting that he would prefer to keep the budget as originally set. The possibility of including an analysis of pay percentages was discussed but this will be difficult to do until the new payroll system is introduced. The provision of a profit and loss account without the inclusion of partnerships contribution was considered. This will be possible to do for the Queens Drive campus but much more difficult for the North Star campus due to the accounting methods adopted. Partnerships contributions are separated out within the Queens Drive accounts but this is not the case for North Star.

With regard to cashflow it was noted that this will reduce by circa £10m between November 2020 and July 2021. The reasons for this were explained by the Deputy Principal Finance and Resources who advised that he hopes that the year-end figure will be better than the current conservative forecast at circa £7m - £7.5m.

The committee asked when a full-year income statement forecast would be available. The Deputy Principal Finance and Resources advised that he hopes to have this by late February/early March and will circulate it to the committee as soon as it is available, rather than wait for the next RIC meeting.

The meeting was pleased to note that the VAT refund relating to Great Western Academy (GWA) has been received.

***ACTION:*** SH to include more detail on loan covenants in future reports; report to include pay percentage analysis once new payroll system has been introduced; SH to circulate full-year forecast to committee as soon as available.

42. Funding update – report by Deputy Principal Finance and Resources received and noted.

43. Treasury Policy report – report by Deputy Principal Finance and Resources received and noted.

The Deputy Principal Finance and Resources advised that only minor changes have been made to the document based on the previous New College policy. Members of the committee were asked to forward any comments/questions to the Deputy Principal Finance and Resources and to express their agreement or otherwise to the policy to the Head of Governance.

A discussion was held with regard to the maximum amounts permitted to be deposited with each institution with a suggestion that the policy be amended with the removal of the actual monetary amount and replaced with a statement that monies be deposited with at least two reputable banks with no more than 60% – 70% deposited with any one bank with the bank having a risk level no lower than the current level of Barclays and Lloyds.

It was further noted that the two campuses currently have separate banking arrangements and accounts.

***ACTION:*** *cttee to advise HoG of consent to Treasury Policy; SH to amend policy to refer to percentages rather than figures for cash deposits.*

44. Post-merger update – report by Principal received and noted.

As a point of accuracy, the meeting noted that the implementation phase referred to at the bottom of page 1 was three weeks and not seven as stated. The Chair thanked the Principal and her team for the huge amount of work being done following the merger.

The committee enquired about staff morale and the Principal advised that this is very difficult to assess at the moment but this is something that will be addressed during the upcoming staff development days. Both the merger and the current Covid-19 pandemic will have had an impact on staff morale and it is important to ensure that this remains positive. A staff satisfaction survey is being considered for late Spring.

Reviews of other streams of integration also need to take place and these could be included within the paper that the Chair of Governors has requested for the Corporation meeting on 9<sup>th</sup> March 2021. It was suggested that a short mapping exercise against the merger workstream groups might be useful.

With regard to redundancies, the majority of these staff members have left the college. 2/3 are still working notice periods or handovers. Some staff vacancies have occurred where they were not expected and recruitment for these is underway. There are still further redundancies to come during the current academic year.

***ACTION:*** *CK to include review of integration streams in report to Corporation 09.03.2021.*

45. Implementation of HR, Finance and Payroll Systems – progress report received and noted.

It was further noted that the overall timeline for the implementation of the systems has been directly impacted by the current Covid-19 pandemic, causing further delays. All of the new systems are cloud based and therefore require no servers and all are run through standard IT equipment.

46. Any other business – raised as follows:

(a) BIMM contract – the Chair asked if any progress had been made on amending the contract with BIMM to ensure that there is no repeat of over-performance. The Deputy Principal Finance and Resources advised the meeting that this would be addressed when the contract comes up for renewal in April/May.

47. Date of next meeting: Tuesday 27<sup>th</sup> April 2021 at 4.00pm

48. Confidential minutes of last meeting held on 30<sup>th</sup> November 2020 and matters arising – agreed as a correct record.

49. Savings Plan – confidential minutes refer.