

Minutes of a Special meeting of the Corporation held on Tuesday, 25<sup>th</sup> February 2020 at 5.30pm in FO27 of the College.

Present: Michael Priestley (Chair); Norma Boyes; Amie Calvin; Peter Ellwood; Beth Gaskell; Nigel Holliday; Chris Nattress (Principal); Phil Jardine; Denise Rollo;  
By phone: Alison Hampson; Robert Milburn

Apologies: Elaine Clinton; Rebecca Dockray; Leanne Singleton; Tanya Weston; Stuart Williams.

Also present: Karen Wilson (Deputy Principal); Jane Murray (Clerk)

### **16/20 Governor Resignation**

The resignation of Loren Redmond as a Governor, effective from 18<sup>th</sup> February 2020, was received with regret.

### **17/20 Coronavirus**

The Principal noted that a member of staff had been skiing at half-term in one of the affected areas in Italy. This member of staff had followed all the advice and was currently in self-isolation although he was not displaying any symptoms. One of his colleagues had been feeling unwell, but again following health advice, he had returned to work. Another member of staff had been in the wider area in Italy, was not displaying any symptoms, and was advised by the health authorities to return to work.

The Principal assured the Board that the College would continue to closely monitor public health and DfE advice and act in line with guidance, which the Board supported.

### **18/20 Integrated Financial Model (ESFA Financial Return)**

The Deputy Principal shared with the Board the ESFA Financial Planning Checklist providing assurance that relevant matters had been considered in completing the financial plan.

This was a 3-year financial plan, which aimed to bring together the previous financial plan return and the annual financial statements. The Deputy Principal felt that the thinking behind the move was sound, but that the implementation by the ESFA had caused tremendous pressures through the a number of late revisions. It was noted that the 'error' in the spreadsheet was a spreadsheet error and not of our making.

The plan delivers good financial health throughout, but it was acknowledged that this year was looking the most fragile. As previously discussed, there was a need to look at doing things differently and some re-alignments and additional projects were underway.

No provision had been made for sub-contracting (other than HE) in future years, but it was felt that growth could be achieved in the College's own distance learning offer, challenging, but achievable.

Areas of growth were anticipated including more efficient use of the VR facility. An increase in staff costs had been anticipated, associated with pension costs, but also additional staff to deliver growth.

It was noted that half-way through the year, the income levels were below target and asked about whether predictions were realistic. It was noted that a lot of income comes at the end of the year and that there had been a significant shift in adult income this month. It was acknowledged though that it was a fair point and that this year was challenging, but that a change in approach and thinking was anticipated to deliver the growth required.

This position was reflected in the EBITDA figures for this year, at 1.34% but rising to 3.92% by the end of the plan. It was asked what EBIDTA figure would be considered 'comfortable' and felt that between 3-4% was the target. The dependence on ESFA income remained pretty static throughout the plan.

A net outflow for the civils project had been allowed for in the plan. By way of update, it was noted that £900,000 had been forthcoming from the LEP subject to some conditions and that the project/business plan had been subject to some external scrutiny prior to approval, giving an independent assessment of the proposal. It was also noted that T-Levels capital funding was also under consideration, particularly how one could be matched with the other.

It was asked why the HE income was not showing any growth and noted that some of the income would be under degree apprenticeships and that it was anticipated that OfS would pass on the cuts to their office to providers.

It was asked how the Board could better monitor financial performance against the financial plan and felt that the management accounts would now be better re-aligned to the financial plan to provide better visibility.

The Deputy Principal noted that one figure required to move a line on the 'capital' spreadsheet, which would not affect the overall picture and that some minor amendment to the reserves, which would not have a significant impact, would be required.

Noting the minor amendments to be made, it was  
**Resolved** – that the Integrated Financial Model be approved.

**The meeting closed at 1830h.**

**19/03/20**