

**MEETING OF THE CROYDON COLLEGE FINANCE AND RESOURCES COMMITTEE
Thursday 13 November 2019 at 6.00pm**

MINUTES

Present: Gordon Smith (Chair)
Caireen Mitchell (Principal)
Varsha Mehta
Andy Booth

In attendance: Ann-Christine Harland (VP Finance and Resources)

Clerk: Clare Mitchell, Director of Governance

		Action
1.	<p>Apologies for Absence</p> <p>Apologies for absence were received from Andrew Lowe.</p>	
2.	<p>Declarations of Interest</p> <p>There were no declarations of interest relating to matters on the agenda.</p>	
3.	<p>Minutes of the Meeting held on 27 June 2019</p> <p>The minutes of the previous meeting were approved and signed as a correct record of the meeting.</p>	
4.	<p>Matters Arising not on the Agenda</p> <p>7i) Budget 2019/20</p> <p>The Chair asked for an update on how the shortfall in income from the apprenticeship contract through New City College (NCC), which had been terminated by NCC, would be addressed. Members were informed that an on-line system developed by the AoC, which would allow SMEs to access apprenticeship funding, was expected to be available from January 2020 and access to this this would negate the need for the NCC contract.</p> <p>However, the College would have lost the income budgeted from non-levy funded apprentices between September and December 2019 unless this shortfall could be mitigated before 31 July 2020. In theory apprentices could start at any point in the year, but those who would be taking part in taught classes were more likely to be restricted to a September start.</p> <p>VM offered to provide the College with details of local SME networks to assist the College with recruiting apprentices in the New Year.</p>	VM



5.	<p>September 2019 Management Accounts</p> <p>This item was noted. The September management accounts had been discussed in detail at the October Board meeting.</p> <p>ACH highlighted the lower than expected pay costs. The College did have a significant number of vacancies, but it was too soon to draw any definite conclusions. It was possible that this shortfall would be taken up by agency spend for which the College had not yet been billed.</p>	
6.	<p>Enrolment Update</p> <p>Members noted the student numbers report. ACH informed the Committee that learner numbers at Croydon College had dropped by 61 since the report had been written. Numbers at Coulsdon College had not changed. The College as a whole was now 97 learners above allocation as of 13 November 2019, which was higher than forecast in the three year plan, and would result in additional income in 2020/21.</p> <p>The Chair asked whether the recruitment of additional learners had resulted in additional costs. The majority of the additional learners had been recruited at Coulsdon at level 2. The additional numbers had increased some class sizes but pay figures remained within budget. There would be an analysis of why students dropped out.</p> <p>ACH expected a further drop in adult learner numbers, but take up of adult learner loans was at 98% and the College had bid for ESFA growth funding. HE income was expected to be around £1.5m and to target.</p> <p>Overall the College was in a stronger position than in the previous year.</p>	
7.	<p>Draft Financial Statements 2019/20</p> <p>ACH introduced the draft financial statements. No comments had yet been received from the auditors because of staffing issues. A new team was now working on these accounts.</p> <p>Members noted that there were a number of points in the financial statements which had yet to be finalised. ACH highlighted the following:</p> <ul style="list-style-type: none"> • The revaluation of the land and buildings at Coulsdon Campus, with a change to the split between land and buildings and an increase in the land valuation. ACH need to discuss how this increase would be disclosed within the accounts with the auditors. • There would need to be consideration as to whether there were any post balance sheet events that needed to be disclosed up to the point that the financial statements were approved by the Board on 4 December. • A related party transaction from the point of merger in relation to one of the Governors who was a senior employee of a 	



	<p>contractor that provided services to Coulsdon College. The Governor was no longer working for this organisation.</p> <p>GS stated that he was a Director of Octavio, which provided educational services. ACH undertook to find out whether the College had purchased any services from Octavio in 2018/19, in case a second related party transaction needed to be declared.</p>	VPF&R
8.	<p>Capital Projects Report</p> <p>ACH reported that the recently appointed Property Adviser from Fusion would be coming into the College shortly to meet the Vice-Principals to discuss curriculum plans for the next five years and the implications for the College's estate.</p>	
9.	<p>Policy Updates</p> <p>i) Financial Regulations 2019/20</p> <p>Members noted the proposed changes to the Regulations, which had been updated to reflect the merger and changes to the ESFA Conditions of Funding (Grant) (Colleges). There were two further governance amendments that needed to be made prior to Board approval.</p> <p>The Committee asked for assurance that the College's arrangements for authorisation of on-line banking transactions were sufficiently robust to prevent fraud and were consistent with the College's bank mandate. The VPF&R undertook to bring a paper to the Committee setting out the current arrangements.</p> <p>The VPF&R indicated that further checks had been introduced following a recent phishing fraud, which had been reported to the Chair of the Audit Committee. Any staff/supplier changes to bank details were now confirmed over the phone. The financial loss had been below the threshold for reporting to the ESFA.</p> <p>Members recommended the Financial Regulations 2019/20 to the Board for approval.</p> <p>ii) Supply Chain Charges and Fees Policy</p> <p>ACH reported that this policy had been amended to reflect a recent letter from the Chief Executive of the ESFA re subcontracting arrangements, which were seen as a high risk area. The College would be seeking to subcontract the delivery of a proportion of its 2019/20 budget for provision of AEB outside London.</p> <p>Members approved the Supply Chain Charges and Fees Policy.</p> <p>iii) ESFA Conditions of Funding Agreement</p> <p>ACH reported that the ESFA had imposed more onerous Conditions of Funding in a number of areas in 2019/20, particularly data and IT security. However, the AoC had successfully lobbied for some</p>	<p>Clerk</p> <p>VPF&R</p>



	<p>proposed conditions to be relaxed e.g. the increase in the level of insurance cover. Members noted the agreement.</p>	
10.	<p>Human Resources Annual Report 2018/19 (including EDI)</p> <p>No paper was provided and this item was withdrawn.</p>	
11.	<p>Health and Safety Report 2018/19</p> <p>ACH reported that that the report had been taken to the first Health and Safety meeting of the year, which had been chaired by Ros Liard, the Lead Governor for Health and Safety. One of the main priorities for 2018/19 had been to integrate Coulsdon College's health and safety processes and documentation and this work had begun well before the date of the merger.</p> <p>Members noted the Health and Safety Report 2018/19.</p>	
12.	<p>Committee Risk Register</p> <p>ACH presented this report which highlighted the updates to the risks relating to this Committee. Following the termination of the NCC contract there was a risk to income and contribution targets if the College failed to obtain a non-levy subcontract for recruitment before January 2020 and if the College failed to gain the 10% increase in AEB funding from the GLA. There were also a risk of the College having to pay increased LGPS and TPS contributions from April 2021. In terms of mitigations, curriculum and business planning would start earlier for 2020/21, in December 2019, to enable the College to plan for growth and ensure that the College offer met the requirements of local employer. The risk to achieving income and contribution targets was currently red rated but this should reduce in year.</p> <p>The risk of severe business disruption had been updated in the light of the data breach and associated fraud arising from the phishing incident reported above. The recent internal audit on cyber security had only provided partial assurance and software upgrades were required urgently at Coulsdon College. This would be addressed by the time the financial statements were approved by the Board. Proportionate ways of implementing an effective warning system for emergency lockdown were being investigated. A new alarm system would be expensive in terms of both time and money.</p> <p>The format of the risk register had not yet changed but a revised format would be presented to the next meeting of the Audit Committee.</p> <p>Members noted the latest Risk Register.</p>	



13.	<p>Committee Self-Assessment</p> <p>The Committee reviewed the self-assessment. The Clerk confirmed that the previous Chair of the F&R Committee had provided input. There was further work to be done to monitor the EDI profile of staff, the effectiveness of EDI initiatives and equal opportunities and legislative compliance in relation to College staff. The role of Committee Chair was also vacant with the Chair of the Board taking on this role until a replacement was appointed.</p> <p>Members confirmed that the Committee fully complied with its terms of reference in 2018/19.</p>	
14.	<p>Dates of future meetings</p> <p>Wednesday 11 March 2020 Wednesday 24 June 2020</p>	
15.	<p>Any other business</p> <p>Member received a tabled letter from the ESFA in relation to the Croydon College Financial Plan 2019 to 2021 and the Finance Dashboard October 2019. The ESFA's assessment of the College's financial health for 2019/20 was good. This differed from the College's self-assessment for 2019/20 of requires improvement, which had been made on the basis that 2019/20 was the first full financial year post merger and there were a number of risks to income.</p> <p>The Chair noted that this would be VM's last F&R meeting as she had resigned from the Board as of 31 December 2019 and thanked her for her contribution to the work of the Committee.</p>	

Signed Chair

Date: