



THE CORPORATION OF CROYDON COLLEGE
Room 405B Croydon College
26 February 2020 at 6.00pm

PART ONE MINUTES

PRESENT: Gordon Smith (Chair of the Corporation)
Caireen Mitchell (Principal & CEO)
Jean Cook
Nigel Dias
Penny Wycherley
Nasim Jivani Hemani
Andrew Lowe
Arnold Amoako (Student Governor)

IN ATTENDANCE: Ann-Christine Harland (VP Finance & Resources)

CLERK: Clare Mitchell (Director of Governance)

QUORUM: The meeting was quorate

	Item
1	<p>PRELIMINARY BUSINESS</p> <p>i. Introductory Remarks The Chair informed members that the specific purpose of this meeting was to approve the Integrated Finance Model for Colleges (IFMC) submission. However, two other urgent items had been added to the agenda, including a confidential item on a property issue which would be taken at the end of the meeting.</p> <p>There had been further changes to the membership of the Governing Body. Sadly, Chris Wright had resigned recently because of ill health and Ros Liard had resigned for personal reasons. Yvonne White's term of office as the Staff Governor from the Coulsdon Campus had come to an end. The Board would be asked to appoint Fiona Brennan as the new Staff Governor from the Coulsdon Campus at its March meeting. Varsha Mehta had resigned with effect from 31 December 2019.</p> <p>The Chair thanked all of the Governors who had left the Board since the December meeting, Ros Liard, Varsha Mehta, Yvonne White and Chris Wright, for their hard work and contribution to the Board.</p> <p>The Chair welcomed Nasim Jivani Hemani to her first Board meeting.</p> <p>ii. Apologies for Absence</p> <ul style="list-style-type: none"> Rahel Haque, Lucia Guetcherian (Staff Governor), Tom Hesmondhalgh, Evelyn Bayerlein (Student Governor), Andy Booth, Angela Edwards, Fadia Clarke and Richard Beales.

	<ul style="list-style-type: none"> The Chair reported that Richard Beales was unable to attend as an interview evening at Coulsdon College scheduled for 27 February 2020 had had to be moved to 26 February because of strike action. Coulsdon College was being impacted by national industrial action with strikes on 12 February, 26 February and 10 March 2020. <p>iii. Declarations of Interest</p> <ul style="list-style-type: none"> There were no declarations of interest from members. <p>iv. Appointment of Nasim Jivani Hemani</p> <p>The Corporation APPROVED the appointment of Nasim Jivani Hemani as a Governor for a four year term.</p> <p>v. Appointment of the Chair of the Finance and Resources Committee</p> <p>The Corporation APPROVED the appointment of Andrew Lowe as Chair of the Finance and Resources Committee.</p> <ul style="list-style-type: none"> The Chair informed members that Tom Hesmondhalgh would be chairing the Audit Committee on an interim basis. Recruitment of a new Governor to chair the Audit Committee was underway. There had been a significant number of changes to the membership of the Board, which had the potential for disruption. New Governors would be recruited and integrated as quickly and effectively as possible.
2	<p>IFMC for the Period 2019/20 to 2021/22</p> <p>i. Financial Monitoring and Forecast Report as at 31 December 2019</p> <ul style="list-style-type: none"> The VPF&R introduced the report and explained that the forecasting in the IFMC for the remainder of 2019/20 was based on this set of management accounts. The College's financial performance for the five months to 31 December 2019 was a deficit of £207K against a budgeted deficit of £31K, an adverse variance of £177K. This was due to an income shortfall on the non Greater London Authority (GLA) Adult Education Budget (AEB), apprenticeships and HE and the front loading of exam costs at the Coulsdon Campus. The impact of the shortfall was reduced due to savings on pay and non-pay. HE numbers were lower than expected and a higher number of HE students than predicted were resitting a year and being charged a lower fee. Apprenticeship recruitment was on track from January 2020 but the forecast for the year had been adjusted for lower than expected recruitment in the first five months of the year. The P&CEO stated that work was being undertaken internally to improve the recruitment of apprentices and reduce bureaucracy as this should be an areas of growth for the College. A paper on monitoring the quality of apprenticeships would be considered at the next LQC meeting. Both the quality of apprenticeship provision and its financial contribution to the College needed to be addressed. The Executive agreed to provide Governors with a strategic response designed to improve the contribution of apprenticeship provision at the College. The forecast for income from HE and apprenticeships for the remainder of 2019/20 was conservative.

ACTION: P&CEO to provide Governors with a strategic response designed to improve the contribution of apprenticeship provision at the College

- The Board were aware that, as a consequence of devolution of funding (based on the 2017/18 ILR), the College had always planned and budgeted to deliver the new non GLA AEB for 2019/20 through a partnership agreement with a high quality subcontractor, whilst building its own capacity to provide courses to residents of neighbouring counties. A subcontract was therefore issued in January 2020 for the £475k as per the 2019/20 budget. This had been the subject of an article by FE Week. However, the College was clear that it was compliant with the Education and Skills Funding Authority (ESFA) subcontracting rules. The Finance and Resources Committee would be asked to make the decision on the award of the subcontract at its meeting on 11 March 2020.
- The College was underspent on pay costs by £200K year to date. However, more Learning Support Assistants (LSAs) were needed to fully support the delivery of high needs student support funded by grants with local authorities. The P&CEO confirmed that there had been no policy of delaying recruitment, with the exception of a brief freeze on non teaching staff in August 2019, but there had been operational issues in HR which had delayed staff recruitment. A new Head of HR had recently been appointed. The P&CO was also keen to improve recruitment and retention of teaching staff by reviewing entry criteria, training and progression routes.
- Non pay costs were being pulled back where possible. A number of core services e.g. utilities, were out to tender with the aim of reducing costs. The changes to the College's LGPS contributions, with the ending of the lump sum contribution offset by an increase in employer contributions, were beneficial overall based on the current number of established non teaching staff in 2019/20. The assumption going forward was that the changes would be cost neutral.

The Corporation **RECEIVED** the Financial Monitoring and Forecast Report as at 31 December 2019

ii. Three year Financial Plan 2019/20 - 2021/22 for IFMC submission to the ESFA by 29 February 2020

- The VPF&R introduced the commentary and three year financial forecast which informed the IFMC submission to the ESFA for the three years to 2021/22. This added on an extra year to the forecast submitted in July 2019 and was subject to confirmation of all grants as well as the detailed planning process for 2020/21.
- The Board was provided with a commentary on the projected outturn for 2019/20 based on the December 2019 management accounts, the aspirational target budget for 2020/21 and the 2021/22 forecast.
- The College's financial objectives for the period to 31st July 2022 were the same as agreed in 2019 with two changes as follows: to achieve an overall ESFA financial health assessment of Good (rather than Satisfactory, which had been renamed Requires Improvement) and to commence investment in the Croydon campus property development during 2021/22. A Good score was important for access to capital grants. The current forecast showed Good financial health scores for the three year period from 2019/20. However the

	<p>financial health scoring reduced in 2021/22 as the College used its cash reserves to invest in the Croydon campus site development.</p> <ul style="list-style-type: none"> • Growth in 16-19 student numbers in 2019/20 meant that income was higher than originally forecast for 2020/21. As a result the new forecast for 2020/21 was for a break even position rather than the planned deficit. This would mean that the College could be required to repay a proportion of the Restructure Facility Grant arranged at merger. This had been provided for in the 2019/20 forecast outturn. The College was planning for modest growth in the number of 16-19 students in 2020/21, funded in 2021/22. This would be reviewed as enrolment data for 2020/21 became available. • HE and apprenticeship income had been forecast conservatively. • The College anticipated continuing its partnership subcontracts for AEB provision outside London while building its own capacity to deliver this through distance learning and short courses. However, a reduction in the value of the contract of 25% had been assumed by 2021/22, following the release of the ESFA consultation on subcontracting. The maximum growth of 10% was assumed and consolidated in the GLA AEB grant. • Staff costs were expected to remain at 68% of income, which was at the higher end for the sector. The IFMC submission included provision for a flat 1.5% increase in pay costs for all staff in 2020/21 and 2021/22. It was noted that the ESFA have not yet guaranteed to pay for the increase in TPS from April 2021, which they have funded from September 2019 to that date. Further funding is dependent on the next Spending Review, however has been assumed in this forecast. • As well as grants the College received a small amount of rental and catering income. <p>ACTION: VPF&R to inform the F&R Committee of the amount of rental income received from the Brit School</p> <ul style="list-style-type: none"> • The submission assumed that capital expenditure on estates of £5.2m would take place during 2021/22. Two years' worth of non pay costs of £200K had been included to support the implementation of the Estates Strategy. • The Board noted that the final submission would include bursary payments. <p>The Corporation APPROVED the three year financial plan 2019/20 – 2021/22 for the IFMC submission to the ESFA</p>
3.	<p>OfS COMPLIANCE</p> <p>i. Freedom of Speech Code of Practice</p> <ul style="list-style-type: none"> • The Board noted that the Office of Students had set the requirement for the College to have an updated Freedom of Speech Code of Practice (the Code) in place that was approved by the Board. The Code would be applicable to both FE and HE students. The deadline for submission of the revised Code to the OfS was 29 February 2020.

	The Corporation APPROVED the Freedom of Speech Code of Practice
4.	ANY OTHER BUSINESS There was one item of other business which was confidential item and is minuted separately
5.	DATE OF NEXT MEETING Wednesday 18 March 2020 at 6.00pm at Croydon College.

Signed:

Date: