

MEETING OF THE CROYDON COLLEGE FINANCE AND RESOURCES COMMITTEE
Wednesday 24 June 2020 at 5.30pm
Virtual Meeting

MINUTES

Present: Andrew Lowe (Chair)
 Caireen Mitchell (Principal & CEO)
 Gordon Smith
 Andy Booth
 Nasim Jivani Hemani
 Catherine Boyd-Maunsell

In attendance: Ann-Christine Harland (VP Finance and Resources)
 Fadia Clarke (VP Training, Skills and Higher Education)
 Helen Langford (Head of HR)
 Stuart Markham (Property Adviser, Fusion) – Item 5

Clerk: Clare Mitchell, Director of Governance

		Action
1.	<p>Apologies for Absence</p> <p>There were no apologies for absence. The Chair welcomed Catherine Boyd-Maunsell and Helen Langford to their first meeting.</p>	
2.	<p>Declarations of Interest</p> <p>Gordon Smith made a declaration in respect of an invoice that the College had paid to his employer, The Collegiate Trust, for teachers' union facilities time for the Coulsdon Campus for 2019/20. He explained that he was a union representative for Croydon and the Collegiate Trust managed this fund, which supported facilities time for schools and colleges in Croydon, on behalf of Croydon Council.</p>	
3.	<p>Minutes of the Meeting held on 11 March 2020</p> <p>The open and confidential minutes of this meeting were approved as correct records.</p>	
4.	<p>Matters Arising not on the Agenda</p> <p>11) Health and Safety Report</p> <p>The Committee noted information on outstanding insurance claims which had been provided with the papers. The Chair commented that the claims were modest in number and value.</p>	
5.	<p>Property Update</p>	



The Committee **noted** a presentation from Stuart Markham, the College's Property Adviser. The presentation provided an update on the work that had taken place since the March F&R meeting in relation to space modelling, planned maintenance and planning and market appraisal. The Senior Leadership Team were reviewing the draft space model, which should be finalised in the next week.

The space model had been subject to sensitivity analysis based on different growth assumptions. The Croydon campus was c11,000 m² over spaced based on a 20% growth model. The Coulsdon campus was marginally under spaced.

There were a number of key opportunities and constraints. It was not yet clear what capital funding might be available for Colleges post Covid 19 or what the market conditions would be like if the College wished to sell or let part of its building in Croydon. However, planning policy in Croydon was favourable to housing development and the East Wing was particularly suitable as there was already significant residential development around this area of the Croydon site. There was also an urgency to some of the developments that would support strategic curriculum development.

A twin track approach was proposed with both campuses being retained in line with the conclusions of the 2018 high level property strategy approved by the Transaction Unit.

Track 1 related to a number of discreet projects at both Campuses. Track 2 related to the development of a detailed business case for repurposing part of the current Croydon building, which would be developed over the next 12-18 months.

The next step would be to take the strategy to the Board on 8 July for approval of the proposed approach so that it could be issued to the Transaction Unit by the deadline of 31 July 2020.

The Committee queried whether it would be possible to develop the business case for the Croydon building more quickly. SM explained that this timescale was based on experience of similar projects elsewhere. However, some aspects, such as reviewing the legal title to the Croydon building could be started now.

The Committee also queried how realistic the prospect of selling off part of the Croydon building would be post Covid 19, when there might be less demand and a significant amount of commercial property which might be available seeking to be repurposed. SM explained that the business case would include a detailed appraisals on a series of potential alternative uses for the excess space. Sensitivity analysis would be completed to assess the impact of any decrease in demand post Covid 19.

Gordon Smith commented on the proposal to move the College entrance to Park Lane. The College had previously had its main entrance on Park Lane but had moved it because of the low footfall in that part of the town centre. SM provided assurance that data on



	<p>activity in the town centre would be reviewed as part of the decision making on this part of the strategy.</p> <p>The Committee was assured that the potential impact of Covid on the College’s future space requirements would also be taken into account.</p> <p>The P&CEO confirmed that the Executive Team supported the twin track approach outlined in the strategy. The P&CEO was also keen to consider using the excess space at the Croydon site to provide a revenue stream for the College.</p> <p>The VPF&R emphasised the importance of managing the College’s reserves carefully to attract the maximum amount of capital funding, while balancing the spend on Track 1 to ensure that the College maintained a good financial health rating with the ESFA.</p>	
<p>6.</p>	<p>Committee Risk Register</p> <p>The Committee noted the updated Risk Register for Strategic Risk 5. The Risk Register for Strategic Risk 4 should also have been presented to the Committee. The VPF&R would ensure that this was the case for future meetings. The full Risk Register had been presented to the Audit Committee and would be considered at the Board meeting on 8 July 2020.</p> <p>ACTION: VPF&R to ensure that the risk register for strategic risk 4 was presented to future meetings</p> <p>The risk register for SR5 had been updated for 2019/20 and 2020/21. The increase in funding per learner that the College would receive from 2020/21 would be prioritised for teaching and support for learners and had gone some way to reducing the deficit for 2020/21.</p> <p>The net risks, which have been updated for the 20/21 plans for the lower level Objectives were assessed as follows:</p> <p>Risk 5.1 achieving financial health as planned - High Risk 5.2 streamlining efficient processes - High Risk 5.3 integrating a new ICT /ILT Strategy- Medium Risk 5.4 developing and integrating a detailed estates strategy - Medium</p> <p>The impact of coronavirus on progress against the strategic objectives in 2020/21 was not yet known.</p>	<p>VPF&R</p>
<p>7.</p>	<p>April 2020 Management Accounts</p> <p>The Committee noted the April 2020 management accounts. The VPF&R reported that there had been a significant drop in expenditure in April 2020, bringing the College closer to its budget profile. There had been significant savings on utilities, consumables and project work that had not taken place because of lockdown.</p> <p>There had been some additional expenses including some payroll issues that were being resolved by the new Head of HR but overall</p>	



	<p>the position was closer to budget than had been anticipated in February and March.</p>	
<p>8.</p>	<p>Budget and Financial Forecasts</p> <p>i) Budget 2020/21</p> <p>The VPF&R introduced the draft budget and commentary for 2020/21 which would inform the new ESFA monthly cash flow document. This was an additional requirement resulting from the coronavirus pandemic and had to be submitted to the ESFA by 31 July 2020. The commentary had not changed significantly from that issued with the three year (IFMC) forecast approved by the Board in February 2020.</p> <p>The proposed budget for 2020/21 was prepared from the detailed 2020/21 Curriculum Plan, an agreed hours strategy for Study Programmes, finalised plans for the new cross campus Student Services, agreed grants with the London Borough of Croydon and other grant body allocations. On top of this had been laid some assumptions with regard to COVID 19 e.g. reduced rental and catering income at the start of the academic year, contingency for student debt and provision for extra support staffing at the beginning of the year for the new on line enrolment systems.</p> <p>The Executive team were also continuing to review further teaching hour savings for Maths and English and Apprentices, to allow further contingency within the budget.</p> <p>A 1% pay rise was included in the budget for 2020/21 for all established and sessional staff. The Executive team were reviewing whether further savings could be made to increase the pay rise. A formal proposal would come to the Committee in November 2020.</p> <p>ACTION: VPF&R formal proposal on the level of the staff pay rise in 2020/21 to be brought to the Committee in November 2020</p> <p>There were a number of risks to achieving the budget. The increase in contributions to the Teachers' Pension Scheme was funded until March 2021 and the budget assumed that this funding would continue until 31 July 2021, but this had yet to be confirmed by central government. It was not yet clear whether the £300K additional AEB funding awarded to the College in 2019/20 through the Innovation Fund, which was currently being paid on profile, would be reconciled in December 2020 or whether this funding could be used in 2020/21 to respond to local unemployment as a result of Covid 19.</p> <p>The P&CEO indicated that the budget was realistic. The Committee asked whether the College should be more ambitious in terms of income growth. The VPF&R explained that traditionally apprenticeships and HE were the areas where student number growth was possible in year but the OfS cap on student numbers in 2020/21, resulting from Covid 19, gave the College little room to expand. Commercial income from catering and rental had been significantly impacted by Covid 19 and this was reflected in the budget. The Committee acknowledged this but indicated that there needed to be</p>	<p>VPF&R</p>



	<p>a greater focus on finding opportunities to grow income once the challenges created by Covid 19 had reduced.</p> <p>Good financial health was forecast throughout 2020/21 and the aim would be to break even at the end of the year, making adjustments in year if necessary.</p> <p>The Committee recommended the budget for 2020/21 to the Board for approval.</p> <p>ii) Financial Forecasts to 2022</p> <p>The VPF&R drew the Committee’s attention to the potential financial impact of any drop in student numbers in 2020/21 resulting from the pandemic on the College’s income in 2022/23. The pandemic could have other effects that would not be seen until Autumn 2020, e.g. an increase in staff sickness or a decrease in adult enrolments, that would impact on the forecast.</p> <p>There would be a need to invest in IT and bank loans would need to be repaid. Cash flows would need to be carefully monitored and reserves protected as far as possible to maintain the College’s good financial health rating. Investment in the property strategy would be on a step by step basis.</p> <p>The Committee recommended the financial forecasts to 2022 to the Board for approval.</p> <p>.</p>	
<p>9.</p>	<p>Apprenticeship Strategy 2019/20</p> <p>The VPTSHE introduced this paper which outlined the College’s apprenticeship strategy including how this work linked with the College’s strategic objectives, how an apprenticeship programme was delivered, the income and expenditure implications and the current challenges.</p> <p>Apprenticeships were a potential growth area for the College but it was a complex area. Most of the business in Croydon were SMEs and considerable work had been undertaken to develop relationships with them. Care, construction and digital were strong areas of the local economy that had been identified for apprenticeship growth.</p> <p>Most apprenticeships consisted of seven elements involving a teacher, an assessor and the employer. This increased the complexity and cost of delivery. There was significant potential for apprenticeship growth through the contract which the College had won with Croydon University Hospital and through work with Croydon Council but this was not guaranteed.</p> <p>Currently the apprenticeship department was only contributing 7% to the College’s central costs. A number of actions had been identified to improve this position in 2020/21.</p>	



	<p>The Committee noted that the budget included a sales person to work with SMEs to increase the number of apprenticeships, but recruitment to this post had been delayed. The Committee emphasised the importance of investing in this area to ensure a future return and on focusing on the sectors of the economy that were still growing post Covid 19. This was a key strategic area for the College in terms of growth.</p> <p>ACTION: VPTSHE to discuss activating the recruitment of a sales person within the apprenticeships team to work with SMEs with the Executive Team</p> <p>The VPTSHE indicated that the strategy was based on research undertaken on future growth industries.</p> <p>The Committee discussed the apprenticeship strategy.</p>	<p>VPTSHE</p>
<p>10.</p>	<p>Human Resources Update</p> <p>The Head of HR who had been in post since the end of May, introduced the report. There was a number of strands of work that had been identified and these were now being prioritised.</p> <p>The consultation on the Student Services restructure had now closed and the process was in the assimilation and selection phase. Three voluntary redundancies had been accepted. The College did not plan to make compulsory redundancies as part of the restructure but this could not be confirmed until the current phase of the process was completed.</p> <p>The HR department had been working with staff and unions on the wider opening of the College. Staff had been asked to identify whether they were in one of six risk groups in terms of their vulnerability to Covid 19. Some staff were still concerned that the College was following the government’s advice that PPE was not required in educational settings. The College had agreed that a small number of staff could wear face masks in corridors because of their individual circumstances. The next step, working with unions, was to consider other risk factors for staff such as ethnicity, age, gender, existing health conditions and BMI over 40 that could have a more significant impact.</p> <p>A working group would be established with union representatives and key staff stakeholders to broaden engagement and focus on key issues relating to staff.</p> <p>A further two staff had been placed on furlough. This was on the basis of their clinically vulnerable status and their roles not being suitable for remote working.</p> <p>The Committee asked whether there had been any guidance on supporting staff mental health. Staff attending the induction for the wider opening of the College had been signposted to external resources. There were also plans to extend the College’s network of mental health first aiders. These were short term measures and</p>	



	<p>further work would need to be done in the longer term. A survey was now live asking staff for feedback on remote working. Staff forums had met and the feedback had been very positive.</p> <p>It had come to light that some academic staff had not received their pay increment in Autumn 2019. This was currently being investigated and would need to be addressed.</p> <p>The report on completion of compulsory training showed that a number of staff, some of whom had been in post for some years, had not yet completed this training. The first step would be to check that this data was accurate. Assuming this was the case, staff would be required to complete the training.</p> <p>In terms of sickness, the data that was available indicated that rates were in line with the sector. 25% of all absences related to mental health. Further work needed to be undertaken to reduce this figure. 38% of total sickness absence related to long term sickness. There were a small number of long term sickness cases that were increasing the overall sickness absence figures. If these cases were closed sickness absence would reduce to 1.8%. Governors were asked to send any further questions on the report to the Head of HR.</p> <p>The Chair indicated that in future the agenda for these meetings would be rebalanced to allow more time for discussion of resourcing issues. The Committee thanked the Head of HR for her excellent report.</p> <p>ACTION: DoG/Chair - agendas for future F&R meetings to be rebalanced to allow more time for resourcing issues</p> <p>The Committee noted the Human Resources Update including the compulsory training and sickness reports.</p>	<p>DoG/Chair</p>
<p>11.</p>	<p>Health and Safety Report</p> <p>Members noted the Health and Safety Report. This focused on the Health and Safety Group meeting on 3 June 2020. The main focus of this meeting had been on the wider opening of the College. The Health and Safety Lead Governor had also been present at this meeting.</p>	
<p>12.</p>	<p>Policy updates</p> <p>i) ESFA Conditions of Funding Agreement 2020/21</p> <p>The DoG would circulated this document to Committee members outside the meeting with an update on changes to the agreement for 2020/21. The VPF&R stated that the funding agreement covered a broad range of areas, which Governors needed to be aware of, as a breach of any one of them was a breach of the conditions of funding.</p> <p>ACTION: DoG to circulate ESFA conditions of funding agreement to the Committee with an update on the changes for 2020/21</p>	<p>DoG</p>



	<p>ii) Updated Health and Safety Policy</p> <p>The VPF&R reported that the policy had been updated re Covid 19. The Committee recommended the changes to the Health and Safety Policy to the Board for approval.</p>	
13.	<p>Review of terms of reference</p> <p>The Committee reviewed the proposed changes to its terms of reference and asked that the HR section be broadened to include the Committee's wider responsibilities re the workforce and staff engagement.</p> <p>ACTION: DoG/Head of HR to review the HR section of the Committee terms of reference</p> <p>The Committee recommended the changes to its terms of reference to the Board for approval.</p>	DoG/Head of HR
14.	<p>Dates of future meetings</p> <p>Wednesday 11 November 2020 Wednesday 24 February 2021 Wednesday 23 June 2021</p>	
15.	<p>Any other business</p> <p>i) Overage on Barclay Road Addendum</p> <p>Please see separate confidential minute.</p> <p>ii) Subcontracting 2020/21 (ESFA)</p> <p>The VPTSHE introduced the paper. The College was planning to subcontract £358K of its non GLA AEB provision in 2020/21 and deliver £242K internally. This planned subcontracted provision was less than the value of the 2019/20 subcontract by £117K. However, the value of the 2020/21 subcontract was now slightly higher (by £29K) than previously proposed to the Committee.</p> <p>The subcontract tender bid would include a clause that would enable the College to increase the value of the subcontract without having to go out to tender again, if in-house delivery lagged behind in recruitment. The total value of the subcontract would remain within ESFA regulations; including any changes resulting from the current ESFA consultation on subcontracting. Any increase in the value of the subcontract would be reported to the Committee.</p> <p>The Committee noted the intention to go out to tender on 1st August 2020 with an expectation of delivery starting on 1st October 2020. The monetary value of the contract was within the Principal's authorisation limit. The Committee would be updated on the outcome of the tender at the next meeting.</p>	



iii) Energy (Gas and Electric) Procurement Recommendations 2020 to 2024

The VPF&R reported that the College’s current framework agreement with LASER for the procurement of gas and electricity expired on 30th September 2020. A new OJEU compliant agreement must be put in place from 1st October 2020 that supported the College’s ambition to significantly reduce both its annual energy spend and its carbon footprint through its Environmental Sustainability Action Plan.

The College had conducted a benchmarking exercise between LASER and another education focused PBO and concluded that the new LASER framework was the most suitable framework for the College.

The Committee **approved** the recommendation to continue with LASER Energy for the provision of Gas and Electricity at both Croydon and Coulsdon College from October 2020 to September 2024.

Signed Chair

Date: