



MEETING OF THE FINANCE AND RESOURCES COMMITTEE
Wednesday 9 November 2022 at 5.00pm
Virtual Meeting

MINUTES

Present: Andrew Lowe (Chair)
Caireen Mitchell (Principal & CEO)
Tony Stevenson
Nasim Jivani Hemani – from 6.00pm
Catherine Boyd Maunsell
Niral Patel

In attendance: Ann-Christine Harland (VP Finance and Resources)
Natalie Garner (VP Adults and HE)
Helen Langford (Head of HR) – Item 6

Clerk: Clare Mitchell, Director of Governance

1.	Apologies for Absence There were no apologies for absence.
2.	Declarations of Interest There were no declarations of interest.
3.	<p>Financial Monitoring and Forecast Report as at 30 September 2022</p> <p>The VPF&R reported that there was an error in the forecast. The 16-18 grant had been underachieved by only £244K, so the forecast deficit should be £367K.. The forecast included £70K for additional insurance costs due to the increase in the reinstatement value for the Croydon Campus and an additional £200K for increased fuel bills. The IT team had been asked to identify ways of saving power on computer usage to reduce energy bills.</p> <p>The cash flow forecast in the management accounts was not correct. The College’s cash reserves stood at £13m due to the delay in the T level science capital expenditure at the Coulsdon Campus.</p> <p>Action: VPF&R/DoG to circulate the corrected management accounts for 30 September 2022</p> <p>The Chair asked whether the impact of lower 16-18 enrolments on future income had been discussed at the October Board meeting. The VPF&R confirmed that this had been discussed and was included in the key issues report later on the agenda.</p> <p>The Committee DISCUSSED the management accounts for September 2022.</p>
4.	Key Issues – Finance and Estates

The VPF&R reported that the College was 168 16-18 students short of its grant allocation. The number of 16-18 students at the Coulsdon Campus had fallen by 10% compared with this time in 2021/22. This was partly as a result of fewer student progressing into their second year.

In 2021/22 the College had only been 100 16-18 students short of allocation and had made up the shortfall through in year enrolments. It was unlikely that there would be any further enrolments at the Coulsdon Campus but there would be opportunities for in year starts in a variety of subject areas at the Croydon Campus. A marketing campaign would take place to promote these courses and engagement was taking place with the Council to target 16-18 NEETs.

There had been a drop in 16-18 enrolments across Colleges nationally. Colleges were still feeling the impact of higher GCSE grades, which had not yet returned to their pre-pandemic level, with more students meeting the entry criteria for school sixth forms. The profile of 16-18 year olds enrolling at the College had changed with more 16 year olds enrolling, but fewer 18 year olds, possibly because of the increased cost of living and more job opportunities for older students.

The P&CEO reported that the way in which courses were marketed was being changed with and more emphasis on content and increased use of social media. An external review of the impact of the College's marketing would be taking place and the VPA&HE would be taking on responsibility for marketing. Attendance at the open days so far had been high but if the number of 16-18 enrolments did not increase in January 2023 then urgent steps would need to be taken re budgeting for 2023/24.

14 students had been recruited to the first year of the T level in engineering at the Croydon Campus. However, three students had had to be withdrawn because they were 19. A consultation was taking place about funding T levels for 19 year olds, some of whom may only just have reached L3. The other significant concern was the length of the work placement for T levels and whether this was affordable for College students given that it was unpaid. Responsibility for work experience and industrial replacements had now moved from Student Services to World of Work where there were strong contacts with local employers.

The VPF&R reported that Colleges nationally were asking for the additional 40 hours funding paid in 202/23 for 16-18 year olds to be consolidated into future funding rates. It was possible that funding rates would change in 2023/24.

At the last Board meeting, the Chair of the Audit Committee had noted the College had not set targets for inclusion in the CFFR dashboard provided to the ESFA. The proposed targets were set out at Appendix A.

The VPF&R stated that the FEC target for the debt service cover ratio should be 2%. The Committee noted that with interest rates increasing, there might come a point when it would be beneficial for the College to pay off its fixed rate loan. It was agreed that the College's two bank loans would be reviewed at the next meeting in the context of the ONS' decision on whether Colleges should be reclassified as public sector organisations.

Action: VPF&R to bring a review of the College's bank loans to the next meeting in the context of the ONS' decision on whether Colleges should be reclassified as public sector organisations

	<p>The VPF&R reported that the College would not be able to submit a bid for Post 16 capacity funding to develop the Pathway Centre because the information required had not been provided by Croydon Council. The P&CEO had asked to meet with the Director of Children’s Services to try to progress this issue.</p> <p>The Committee discussed the key issues paper and approved the KPIs for inclusion in the CFFR</p>
<p>5.</p>	<p>Draft Financial Statements 2021/22</p> <p>The VPF&R reported that the audit close meeting had taken place and there were no changes to the figures in the draft financial statements presented to the Committee. Mazars’ report from their audit of GLA AEB income had not yet been received but no adjustments to the financial statements were expected as a result of the audit.</p> <p>The Committee noted the significant reduction in the LGPS provision. The assets had increased slightly, but it was the increase in long term bond rates that had significantly increased the actuarial gain, thus reducing the total liability. The outcome of the triennial valuation would be known in January 2023 and it was possible that the College’s contributions would decrease.</p> <p>The length of the Trustee’s Report had been reduced and there was no requirement to complete an additional Covid specific regularity self-assessment for 2021/22. The section on EDI had been reviewed. Those sections highlighted in yellow required approval by the Audit Committee and then the Board.</p> <p>The Committee RECOMMENDED the draft financial statements for 2021/22 to the Board for approval.</p>
<p>6.</p>	<p>Human Resources Update</p> <p>The HoHR presented the key points from the HR update. The College was now in the assessment and review stage of its application for Investors in Diversity Accreditation with the National Centre for Diversity (NCFD). Positive feedback had been received from staff, the College’s Black and Ethnic Network and the Unions on this work. The NCFD’s timeline for the College’s accreditation was still awaited but it was hoped that it could be achieved by the end of December 2022.</p> <p>The Committee thanked the HoHR for her work on the hybrid working policy and suggested that consideration should be giving to stating that hybrid working itself was a trial. The policy should also be clearer about the possible outcomes once a staff member’s hybrid working trial had ended.</p> <p>Action: HoHR to consider amending the Hybrid Working Policy to indicate the hybrid working itself was a trial and to amend the policy so that it was clearer about the possible outcomes once a staff member’s hybrid working trial had ended</p> <p>A Dignity at Work Policy was being developed as part of the NCFD action plan and would come to the next meeting. The HoHR was reviewing training options for Dignity at Work Advisers.</p> <p>The appraisal process for 2021/22 had been launch. Staff would be required to self declare that they met the safeguarding requirements and outline their contribution to Investors in Diversity. From 2021/22 scale progression for academic staff at the</p>

	<p>Coulsdon Campus would be linked to appraisal in the same way as for Croydon Campus academic staff.</p> <p>Work was taking place with the Head of Learning and Development to develop succession planning for academic staff. The Committee asked about investment in staff training and development and noted the positive impact it could have on staff motivation. The P&CEO outlined the management development already taking place and the development and progression opportunities available for high performing teaching staff. The Head of Learning and Development would be asked to assess whether the current budget met the College's needs as part of the succession planning project.</p> <p>Action: P&CEO/HoHR – Head of Learning and Development to be asked to assess whether the current budget for staff training and development met the College's needs as part of the succession planning project.</p> <p>The Committee asked whether the restructure of Student Services was expected to solve the issues in this area. The HoHR responded that separating Student Services into three discreet areas was an improved structure but the high turnover of LSPs was not yet resolved. Turnover in this role was an issue across the FE sector. Steps were being taken to make the role more rewarding and provide greater opportunities for progression and to recruit staff with the right values and then train them into the role. There were also recruitment issues at the Pathway Centre, again this was a sector wide issue.</p> <p>The Committee discussed the HR update.</p> <p>The Committee noted the HR Annual Report and the Gender and Ethnicity Pay Gap Reports. The HoHR was working to improve exit interview data to assist with tackling areas of high staff turnover. Sickness levels were acceptable but returning to pre pandemic levels. The gender pay gap had narrowed but the ethnicity pay gap was lower than benchmark, although there had been some areas of improvement. The Committee commented that there were positive indicators of improved diversity in recruitment.</p>
7.	<p>Operational and Quality Improvement Plan (OQIP) Update 2021/22 AND 2022/23</p> <p>The Committee noted the progress update on Strategic Objectives 4 and 5 of the OQIP.</p>
8.	<p>Annual Health and Safety Report 2021/22</p> <p>The Committee noted the Annual Health and Safety Report.</p>
9.	<p>Sustainability Strategy Report 2021/22</p> <p>The Committee noted the Sustainability Strategy Report for 2021/22. The Committee suggested that the Student Governors be asked advise on how students could become more involved in the sustainability work. The VPF&R reported that she had met with the Head of Student Experience, who was keen to take forward student involvement in this work.</p> <p>Estates was the main area where the College could significantly reduce its carbon emissions. The College was working with Turner and Townsend who were</p>

	<p>developing a route map for reducing the College's emissions, which would be used to build a case for grant applications. Targets would be developed for reducing the College's carbon emissions, which the VPF&R planned to include in the Sustainability Strategy going forward.</p>																									
10.	<p>Risk Register Strategic Objectives 4&5 - Update Autumn 2022</p> <p>The Committee noted that the majority of the risks had been discussed under other items e.g. HR and low 16-18 student enrolments. The VPF&R reported that there had only been minor changes to risk scoring since the last meeting. A project was being run by the Head of Learning and Development to identify how teachers could best use IT facilities in the curriculum post Covid. The project was likely to finish in the Summer term, but the VPF&R would bring an update to the next meeting.</p> <p>Action: VPF&R to bring an update on the project being run by the Head of Learning and Development to identify how teachers could best use IT facilities in the curriculum post Covid to the next meeting</p> <p>The Committee did not identify a topic for a risk deep dive at the next meeting.</p> <p>The Committee APPROVED Strategic Risks 4 and 5 for submission to the Audit Committee.</p>																									
11.	<p>Annual Policy Updates 2022/23</p> <p>i Annual Review of Financial Regulations</p> <p>The VPF&R reported that the majority of the changes were minor. The most significant addition related to purchase orders. There would now be a termly review of all purchase orders raised, by supplier, which would be undertaken by the Vice Principal Finance and Resources. This would enable any situation where significant amounts of orders were being placed with a supplier, each below the tender threshold, but the total exceeded £100,000, to be identified and addressed.</p> <p>The Committee RECOMMENDED the amendments to the Financial Regulations to the Board for approval.</p> <p>ii HE Tuition Fees 2023/24</p> <p>The VPA&HE presented the paper. The proposed amendments to tuitions fees for 2023/24 were as follows</p> <table border="1"> <thead> <tr> <th>Course Type</th> <th>Current Course Fee</th> <th>Proposed Course Fee 2023/24</th> <th>Current International Fee</th> <th>Proposed International Fee 2023/24</th> </tr> </thead> <tbody> <tr> <td>HNC/D</td> <td>£5,540</td> <td>£5,550</td> <td>£7,500</td> <td>£7,750</td> </tr> <tr> <td>120 Credit Level 4/5</td> <td>£5,450</td> <td>£5,550</td> <td>£7,500</td> <td>£7,750</td> </tr> <tr> <td>HE Cert</td> <td>£6,000</td> <td>£6,000</td> <td>£7,500</td> <td>£7,750</td> </tr> <tr> <td>Degree</td> <td>£6,000</td> <td>£6,000</td> <td>£7,500</td> <td>£7,750</td> </tr> </tbody> </table> <p>This was with the exception of HNC Business and HNC Construction, where the fees would be reduced to £5,100 and £4,625 for 2023/24.</p>	Course Type	Current Course Fee	Proposed Course Fee 2023/24	Current International Fee	Proposed International Fee 2023/24	HNC/D	£5,540	£5,550	£7,500	£7,750	120 Credit Level 4/5	£5,450	£5,550	£7,500	£7,750	HE Cert	£6,000	£6,000	£7,500	£7,750	Degree	£6,000	£6,000	£7,500	£7,750
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	<p>The Committee noted that HE enrolments were lower than budgeted to date for 2023/24, both for the adult nursing degree run by the University of Roehampton and for the College’s externally validated HE provision. The VPA&HE would be working with College staff to improve the admissions and enrolment processes, increase internal progression onto College HE courses and improve the marketing of HE courses. The Committee asked the P&CEO to include information on marketing strategy as well as marketing activity in her report to the Board.</p> <p>Action: P&CEO to include information on marketing strategy as well as marketing activity in her report to the Board</p> <p>The Committee RECOMMENDED the changes to the HE Tuition Fees for 2023/24 to the Board for approval, subject to there being no objections from the two other Governors on the HE group.</p> <p>Action: VPA&HE to discuss the amendments to the HE fees from 2023/24 with the two other Governors on the HE Group</p>
12.	<p>Minutes of the meetings held on 15 June 2022</p> <p>The minutes of the meeting were approved as a correct record.</p>
13.	<p>Matters Arising not on the Agenda</p> <p>The Committee noted the action list. The Chair reported that he and the VPF&R had not yet met to discuss the flood insurance claim. The Chair expressed his view that the insurer should have been aware that the Croydon Campus building was undervalued and should have required a revaluation every three years. This action would be carried over to the next meeting and the VPF&R and Chair would meet to discuss this further.</p> <p>The VPF&R reported that, following further investigation, it had been found that the walls between the Peter Jackman theatre and the performing arts classrooms were load bearing and could not be removed. This meant that this space could not be repurposed as a Sports Hall. However, the boilers were now working and the final asbestos work would take place in early 2023.</p> <p>Nasim Jivani-Hemani, who had joined the meeting late, had a number of questions on the management accounts, which were answered by the VPF&R.</p>
14.	<p>Post Meeting Reflection/Committee Self-Assessment</p> <p>The Committee commented that the papers for the meeting had worked well and commented positively on the bullet form of the narrative in the management accounts.</p>
15.	<p>Any other business</p> <p>There were no items of other business.</p>
16.	<p>Dates of future meetings</p> <p>Wednesday 8 March 2023 – 6pm to 8pm in person at the Croydon Campus Wednesday 14 June 2023 - 5pm to 7pm online (please note revised date)</p>

*Approved as an accurate record by the Finance and Resources Committee at its meeting on
8 March 2023*

*Clare Mitchell
Director of Governance*