



Croydon
College



COULSDON
SIXTH FORM COLLEGE



Croydon
University
Centre

MEETING OF THE FINANCE AND RESOURCES COMMITTEE
Wednesday 8 March 2023 at 6.00pm
Room 422, 4th Floor, Croydon Campus

MINUTES

Present: Andrew Lowe (Chair)
Caireen Mitchell (Principal & CEO)
Tony Stevenson
Nasim Jivani Hemani
Catherine Boyd Maunsell

In attendance: Ann-Christine Harland (VP Finance and Resources)
Helen Langford (Head of HR) – Item 5

Clerk: Clare Mitchell, Director of Governance

1.	<p>Apologies for Absence</p> <p>Apologies for absence were received from Niral Patel</p>
2.	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>
3.	<p>Financial Monitoring and Forecast Report as at 31 January 2023</p> <p>The VPF&R reported that financial performance for the 6 months to 31 January 2023 was a surplus of £447k against an expected budget surplus of £221k. This was a favourable variance of £226k, for the first time this year. There had been a reduction in the year end forecast this month of £119k, to £227k. The year end forecast was now very close to the original budgeted surplus of £233k.</p> <p>Main areas of concern were the College’s ability to fully deliver the activity to earn the grant income, particularly for smaller grants. This mainly related to a shortage of staff to deliver these programmes. Funding had to be returned if it was not spent.</p> <p>Non pay costs were increasing because of the impact of higher inflation and energy costs and increased insurance costs.</p> <p>The final results of the 2022 LGPS triennial valuation had been published. Employer contributions would reduce from 25.8% to 23.1% from 1 April 2023, generating savings of approx. £147k pa. If the DfE were to offer Colleges the same ‘pension guarantee’ as for Academies, then employer contributions could reduce further. This issue was being taken forward by the AOC on behalf of the sector.</p> <p>Cash flow was close to plan, a significant amount of capital expenditure would be incurred over the Summer when the FECTF grant works at the Croydon Campus would take place.</p> <p>NJH expressed concern about the debt service cover ratio. The VPF&R explained that this measure had been dropped by the FE Commissioner and so was no longer calculated. Croydon College had a low ratio, but this had been anticipated and similar to other Colleges who had significant commercial borrowing. To</p>

	<p>balance this, the College also had significant reserves. There followed a discussion about how the debt service ratio was calculated.</p> <p>Action: VPF&R to provide the Committee with clarification on how the debt service cover ratio was calculated and confirm the College’s current debt service cover ratio</p> <p>CBM asked why certain curriculum areas were not meeting their contribution targets. The VPF&R responded that these were often areas that had a higher staff/student ratio. In the main this was because they had not met their student recruitment targets and had smaller classes. However, areas such as construction required additional staff such as technicians, had a higher proportion of students over 18 who received lower rates of funding and had recruitment issues which resulted in higher use of expensive agency staff. The DfE had recently confirmed that the programme weighting for construction courses would be increasing, which was perhaps a recognition that this was an area that had been underfunded historically.</p> <p>The VPF&R reminded members that the highest rates of funding were for students between 16 and 18 years old and that the College was still 53 students short of its grant allocation for 2022/23. As funding for this group of students was lagged, the impact of this would be felt in 2023/24.</p> <p>The Committee discussed the management accounts for January 2023.</p>
<p>4.</p>	<p>Key Issues – Finance and Estates</p> <p>The VPF&R reported that the College had been successful in a request to the GLA for increased consolidated AEB funding for 2022-23 of £644k, increasing the grant from £4.62m to £5.26m. The College was also waiting to hear the outcome of a 3 year £600k pa bid for additional adult AEB from the Mayor’s Skills Fund. The outcome was expected in May/June 2023.</p> <p>In terms of estates, changes were required to the main reception area at the Croydon Campus to ensure that the College complied with the new Protect Duty.</p> <p>The LBC had undertaken an options review regarding the additional SEN facilities required for a further 40 High Needs student for 2023/24, but had yet to confirm its preferred option. This was urgent given that the work would need to be undertaken before September 2023.</p> <p>The South London Development partnership contract to introduce electric vehicles into the College’s motor vehicle and electrical installation curricula at levels 1-3 was now largely complete. This project has highlighted the lack of fire expertise in the sector on the location of the chargers in teaching spaces. The College had been following the recommendations from Zurich, our Fire Risk experts and Building Control on this matter.</p> <p>The VPF&R reported that Conegate, who had purchased a piece of land at Duppas Hill over which the College had overage rights, were now planning to sell this land on. Conegate had been granted planning permission on this land and under the Deed of Covenant in place between the College and Conegate, overage payments were due to the College before the sale of the land went through.</p>

	<p>The Chair asked about the progress of the insurance claim following the flood. The VPF&R explained that progress on removing the asbestos from the lower ground floor had been delayed due to the Ofsted inspection so Phase 1 was not yet complete. Phase 2 would be the reinstatement of the performing arts area. The insurer had yet to consider the costs of Phase 2 of the work. The Chair offered to assist the VPF&R in discussions with the insurer if needed.</p> <p>The Committee discussed the key issues paper.</p>
<p>5.</p>	<p>Human Resources Update</p> <p>The HoHR presented the key points from the HR update.</p> <p>The focus of HR activity over the coming months would be supporting the College Executive team with the strategic response to the recent Ofsted inspection. This would be in addition to increased engagement with staff and unions.</p> <p>Turnover and recruitment were in a better position; the HR team had been working with marketing to promote vacancies on social media and attending recruitment fairs. A staff referral scheme had also been introduced. This would be reviewed after a year.</p> <p>The HoHR was now waiting for the National Centre for Diversity (NCFD) to analyse the outcomes and arrange for interviews and focus groups with staff to complete the assessment and review stage. In the meantime, on-site unconscious bias training had been put in place, led by an NCFD facilitator.</p> <p>Staff wellbeing and mental health awareness continued to be a focus this academic year. Staff wellbeing was part of the action plan with the NCFD. A staff wellbeing policy had been developed and was now available on the staff intranet. More mental health first aiders were being sought and the HoHR hoped to have a session on staff wellbeing during staff learning week.</p> <p>Compliance with the appraisal process was too low at the Coulsdon Campus. The Committee emphasised the need for a significant improvement in compliance with the appraisal process at the Coulsdon Campus.</p> <p>Action: P&CEO/HR to work with the Coulsdon Principal to ensure a significant improvement in compliance with the appraisal process at the Coulsdon Campus</p> <p>Another key area of focus in coming months would be to work with the Executive team and Heads of Quality to proactively apply the performance improvement procedure in areas that were not achieving. There would be a specific focus on this at the Coulsdon Campus, and within the Student Services teams.</p> <p>The HoHR drew the Committee's attention to the figures on learning and development spend included in the paper. These figures did not include the costs of the remission and additional increment provided to Teaching and Learning Mentors. Benchmarking indicated that increases in the budget for development needed to be considered going forward, particularly in light of the recruitment and retention issues in the sector. This would necessitate a stronger focus on internal development. A discussion was also required on whether all staff development funding should be held centrally or whether some should be devolved to schools/curriculum areas to fund technical/curriculum specific training. There was a need for further learning and development for staff at the Coulsdon Campus,</p>

	<p>development of the teaching qualifications of staff in the School of Building, Engineering and Technical Professions and investment in the development of senior managers at the Croydon Campus.</p> <p>The Chair proposed that consideration should be given to exceeding the budget and investing significantly in staff learning and development. The P&CEO agreed that significant further investment was likely to be needed in this area in the 2023/24 budget and, if necessary, the Executive might need to propose a deficit budget. The VPF&R noted that the 16-18 grant would be reducing in 2023/24.</p> <p>The Committee noted that the increasing disparity between the pay scales for teachers in schools and those in FE was likely to increase the risk of industrial action by unions in 2023/24 and make teacher recruitment more difficult.</p> <p>The Committee discussed the HR update.</p>
6.	<p>Operational and Quality Improvement Plan (OQIP) Update 2022/23</p> <p>The Committee noted the progress update on Strategic Objectives 4 and 5 of the OQIP.</p>
7.	<p>Health and Safety Report – Spring Term 2023</p> <p>The Chair asked whether there were any outstanding personal injury insurance claims. The VPF&R indicated that there were none.</p> <p>The Committee noted the Health and Safety Report.</p>
8.	<p>Sustainability Update – Spring Term 2023</p> <p>The Committee noted the Sustainability Update.</p>
9.	<p>Risk Register Strategic Objectives 4&5 – Spring Term 2023</p> <p>The Committee noted increases in the scoring of Strategic Risk 4.1 relating to the recruitment and retention of staff. Strategic Risk 5.1, relating to achieving good financial health, remained a potential concern looking forward to 2023/24. Budget planning for 2023/24 had been delayed because of the Ofsted inspection. Hitting targets for HE and 16-18 enrolments would be challenging, although marketing of courses had improved. It was also important that delivery of smaller grants was planned early to avoid having to repay undelivered funding. Apprenticeship provision was expected to grow in 2023/24 but there were limiting factors on the speed of growth e.g. by the need to recruit additional assessors.</p> <p>The Committee queried why there were no red risks for Strategic Objectives 4 and 5 in the light of issues discussed at the meeting e.g. low appraisal completion rates at the Coulsdon Campus. The VP&R reported that this was included within Strategic Risk 4.1 which overall had an amber risk rating.</p> <p>The P&CEO indicated that the risk register would be reviewed once the report from the Ofsted inspection was published.</p> <p>The Committee APPROVED Strategic Risks 4 and 5 for submission to the Audit Committee.</p>

10.	<p>Policy Updates</p> <p>There were no policies for consideration at this meeting.</p>
11.	<p>Minutes of the Part 1 meeting held on 9 November 2022</p> <p>The minutes of the meeting were <u>approved</u> as a correct record.</p>
12.	<p>Matters Arising not on the Agenda</p> <p>The Committee <u>noted</u> the updated action list. The DoG reported that the new Director of Marketing, Fiona Carthy, would be attending the Governor Day on 29 March 2023.</p>
13.	<p>Post Meeting Reflection</p> <p>The Chair thanked the staff who had written the papers. They were very succinct and easy to read. Meeting face to face had resulted in better discussion. The Committee agreed that meetings in 2023/24 should take place face to face.</p> <p>Action: DoG – F&R Committee meetings in 2023/24 to take place face to face</p>
14.	<p>Any other business</p> <p>There were no items of other business.</p>
15.	<p>Dates of future meetings</p> <p>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 14 June 2023

*Clare Mitchell
Director of Governance*