



Croydon  
College



**MEETING OF THE FINANCE AND RESOURCES COMMITTEE**  
Wednesday 12 June 2024 at 6.00pm

**Room 422, Croydon Campus**

**MINUTES**

**Present:** Andrew Lowe (Chair)  
Caireen Mitchell (Principal & CEO)  
Ian Valvona  
Nasim Jivani Hemani  
Niral Patel

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

**Clerk:** Clare Mitchell, Director of Governance

1.	<p><b>Apologies for Absence</b></p> <p>There were no apologies for absence.</p>
2.	<p><b>Declarations of Interest</b></p> <p>The VPF&amp;R noted that the Chair of the Governing Body had an interest in the agenda item on the budget for 2024/25 as he was currently being paid for one day a week. This would be disclosed as a related party transaction in the financial statements for 2023/24.</p>
3.	<p><b>Minutes of the Part 1 meeting held on 6 March 2024</b></p> <p>The minutes of the meeting were <u>approved</u> as a correct record.</p>
4.	<p><b>Matters Arising not on the Agenda</b></p> <p>The Committee <u>noted</u> the updated action list. There was no update on GLA funded publicity for the awards of the Salix grant. Discussions had been delayed because of the Mayoral election and then by the run up to the General Election. All other actions had been completed.</p>
5.	<p><b>Human Resources Update</b></p> <p>The HoHR gave an update on staff performance improvement plans. 41 cases had been managed / initiated since September 2023. 11 staff were still being managed under the procedure and HR were supporting managers through the process.</p> <p>The report included the turnover figures requested by the Board. Staff turnover was 13.5% for 2023/24 to date. Staffing at the Coulsdon Campus looked stable as there had not been a significant number of resignations by the deadline date. The HR team were continuing to focus on online recruitment, which was proving successful. Candidates could now use easy apply but successful candidates did have to complete the full College application form to comply with safer recruitment guidance. DfE levelling up payments would be available for eligible FE staff from 2024/25.</p>

	<p>The number of agency staff across the College had been reduced to 15 and all had contracts that were due to end by 30 June. The Committee asked for confirmation that the reduction in agency staff had been included in the forecast for the remainder of 2023/24 and had been built into the budget for 2024/25. The VPF&amp;R confirmed that this was the case. The Committee was assured that agency staff would no longer be the first point of call when vacancies needed to be filled urgently. There would be a rolling recruitment programme for sessional staff to meet urgent demand.</p> <p>The Chair challenged the Executive about continuity of staffing in apprenticeships where a key member of staff was leaving the organisation. The P&amp;CEO provided assurance that senior staffing had been increased with the appointment of an Executive Director who would be responsible for apprenticeships and employer engagement in addition to another management post.</p> <p>The Chair was clear that the Committee would monitor agency spend closely going forward. The Committee's view was that a zero tolerance approach to agency staff was unlikely to be practical and a small number of agency staff might be needed going forward. However, the Executive had provided assurance that effective controls were now in place to limit the use of agency staff.</p> <p>The HoHR was asked to include details of any agency staff appointed, the reasons for their appointment and sickness data for all staff in future HR reports Sickness absence was currently at 2/2.3% which was good for the sector.</p> <p><b>Action: HoHR to include details of any agency staff appointed, the reasons for their appointment and sickness data for all staff in future HR reports</b></p> <p>The HR annual report would come to the next meeting of the Committee. Diversity in management level posts was a key area of focus. There had been positive shifts in the ethnicity pay gap reports over the past few years. The upper middle pay quartile was now moving towards a much more balanced profile, with a 4% shift to increase the Black African /Caribbean staff composition. The gender pay gap data was also showing a positive position with the mean gender pay gap at 3.51% and the median at 5.75%.</p> <p>The timing of the appraisal process had been moved forward to the Summer term and staff appraisals were currently taking place</p> <p>The results of the 2024 staff survey were positive especially considering recent events at the College. The response rate had been 60%, which was in line with the sector. A high level action plan would come to the next meeting of the Committee.</p> <p><b>Action: HoHR to bring a high level action plan to address issues raised in the 2024 staff survey to the next meeting of the Committee</b></p> <p>The Committee <b>DISCUSSED</b> the HR report and <b>APPROVED</b> the changes to the Grievance Policy which had been appended to the report.</p>
6	<p><b>Financial Monitoring and Forecast Report as at 30 April 2024</b></p> <p>The report summarised the College's financial performance for the 9 months to 30 April 2024 and showed an operating deficit of £1,725k to date, against a profiled</p>

	<p>budget deficit of £756k, an adverse variance of £969k. The year-end forecast deficit was currently £1,334m, a net decrease of £35k this month. Non pay budgets were being reduced where possible and energy costs were now starting to decrease.</p> <p>The key reasons for the increased deficit were set out in the report. There had been above contract growth in the number of 16-18 students. The additional students would not be funded until 2024/25. There had also been over delivery of GLA funded adult education courses. Changes to the funding rules and limits on in year growth funding had resulted in over £300K of unfunded AEB activity. The other significant reason for the increase in the deficit was the higher than budgeted use of agency and interim staff prior to 31 March 2024.</p> <p>HE income was lower than budgeted. The College was subsidising the delivery of its degree courses. There were plans in place to grow HE numbers. However, the Committee challenged the Executive about whether these plans were sufficiently robust. The P&amp;CEO reported that a paper would be presented to the next LQC meeting setting out the reasons for the drop in HE student numbers and the plans to grow this area.</p> <p>The Chair of the Board asked for an explanation of the red rating for pay costs. Staff costs, at 78% of income, remained significantly above the norm for FE/Sixth Form Colleges. The VPF&amp;R noted that 2023/24 had been a very unusual year for the College and that pay costs would be reduced in 2024/25. The VPF&amp;R would consult with the finance directors' network to see whether pay costs were increasing across the sector.</p> <p><b>Action: VPF&amp;R to consult with the finance directors' network to see whether pay costs were increasing across the sector</b></p> <p>The College would receive £2.4m of additional 16-18 funding in 2024/25. 16-18 student numbers were expected to increase at the Coulsdon Campus in 2024/25 as a result of higher recruitment and increased retention between lower and upper sixth. Plans had been made for course starts in January 2025 at the Croydon Campus but, recruitment might need to be halted if sufficient numbers of students had already been recruited earlier in the year.</p> <p>In 2024/25 there would be a focus on schools at the Croydon Campus that were not making the expected 50% contribution to central costs. The Chair of the Board asked the Executive to consider whether those schools that were exceeding their budgeted contribution should receive some recognition, possibly from the Board.</p> <p><b>Action: The Chair of the Board asked the Executive to consider whether those schools that were exceeding their budgeted contribution should receive some recognition, possibly from the Board</b></p> <p>The College's financial health score at the end of 2023/24 was expected to meet the lowest scoring for Good.</p> <p>The Committee <b>discussed</b> the management accounts for 30 April 2024.</p>
7.	<p><b>Budget and Financial Forecasts</b></p> <p>i        <b>2024/25 Budget</b></p> <p>The proposed draft budget for 2024/25 showed a modest surplus position of £57,000 derived from income of £36.2m (excluding bursary grant income), pay</p>

	<p>costs of £25m (72.71% of income) and non-pay costs of £11.7m. The budget generated an education specific EBITDA of £0.956m, a significant improvement from the 2023/24 forecast outturn EBITDA deficit of £635k. On this basis the College would achieve a financial health score above the minimum for Good.</p> <p>The VPF&amp;R explained that the budget was based on the curriculum plan for 2024/25. The Committee noted the reasons for the increase in income for 2024/25 and the assumptions included in the budget. The GLA would not be able to meet any growth bids for AEB in 2024/25 nor would they pay for 3% over delivery as had happened in the past. The College had reduced planned courses in adult ESOL, Maths and Employability for Job Centre Plus to ensure that over delivery was minimised. The expected increase in apprenticeship income was now at risk due to a possible drop in the number of apprentices enrolled with the College through a large employer.</p> <p>A central contingency of £100k was held in income and posted to ‘other grants’ in the budget. The budget included the full quality team and the new Executive Director but there would need to be a reduction in posts elsewhere to increase business efficiency. The budget included a 2% pay increase.</p> <p>The Committee was pleased to note the increase in income in 2024/25 and that the budget resulted in a small surplus. If the budget was exceeded this would need to be brought to the Committee and to the Board.</p> <p>The Committee <b>RECOMMENDED</b> the budget for 2024/25 to the Board for approval</p> <p><b>ii 2023/26 Forecasts</b></p> <p>The proposed draft forecast for 2025/26 was extrapolated from the 2024/25 budget and currently showed a surplus of £90k, derived from income of £37.1m (including bursary grant income). The 2025/26 forecast generated an education specific EBITDA of £1,260k, a modest increase from the 2024/25 budget.</p> <p>The forecast for 2025/26 included a small increase in the 16-18 main grant. However, there was a new condition of funding which could reduce income in 2026/27 if students did not continue to study English and maths until the age of 18. Further efforts need to be made to expand HE provision and recruitment to the University of Roehampton nursing degrees delivered at the Croydon Campus. The budget did not include any contribution from the possible partnership agreement with St Mary’s University.</p> <p>The Committee <b>RECOMMENDED</b> the forecast for 2023/26 to the Board for approval</p>
<p><b>8.</b></p>	<p><b>Key Issues – Finance and Estates</b></p> <p>The Chair noted that the majority of the issues in the paper had already been discussed. The tender for internal works would be considered in Part 2 of the meeting. The VPF&amp;R reported that the College had not yet received planning permission for the work on the West End entrance. Discussions with the local authority re the use of the land behind the College as a secure space for students were still ongoing.</p> <p>The Committee <b>discussed</b> the key issues paper.</p>
<p><b>9.</b></p>	<p><b>Health and Safety Report – Summer Term 2023/24</b></p>

	<p>Following a small fire, the London Fire Brigade had undertaken a full review of the College's fire safety measures and the report was awaited. The insurers had been notified as had the companies that had tendered for the insurance contract. The College's current insurers had asked for more fire suppressants in the kitchen areas.</p> <p>The Committee <b>noted</b> the Health and Safety Report for Summer 2023/24.</p>
<p><b>10.</b></p>	<p><b>Risk Register Strategic Objectives 2024/25</b></p> <p>The Committee noted that the gross and net risks scores for risks 9-12, which fell within the remit of the Finance and Resources Committee, had been re-assessed for the Summer Term 2024. No scorings had changed.</p> <p>The title of risk 11 title, the inability of the IT infrastructure to protect from cyber attack or data theft, had been expanded to include all curriculum system requirements. The Chair of the Governing Body challenged the VPF&amp;R to explain why the net risk rating for this risk was green given the high risk of cyber attacks in the education sector and the impact these attacks had had on other Colleges.</p> <p>The VPF&amp;R explained that the College had taken out cyber insurance and each year the College had to complete a self-assessment of its IT controls for the insurer. The College had implemented multi factor authorisation for students as well as staff and had implemented the recommendations from an internal audit on cyber security. There were also additional controls on emails. The College also had cyber security certification. Work would be taking place to review the College's IT disaster recovery systems. The external auditors now had to consider the controls and resilience of the College's systems. This involved the College completing a self-assessment on IT controls as part of the external audit process.</p> <p>The Committee noted with concern that HE income was lower than budgeted in 2023/24. The Committee challenged the Executive as to whether the growth plan for HE was sufficiently robust. It was agreed that HE would be a substantive agenda item for the November 2024 meeting of the Committee when there would be a discussion about HE finances and the plans for an increase in student numbers. The Committee also recommended that the Board had a strategic discussion about the future direction of HE provision at the College.</p> <p><b>Action: DoG/VPAS&amp;HE HE finances and plans to increase student numbers to be an item for discussion at the November meeting of the Committee</b></p> <p><b>Action: Chair of Board/DoG to consider the need for the Board to have a strategic discussion about the future direction of HE provision at the College</b></p> <p>The Committee <b>discussed</b> the strategic risks within the remit of the Committee</p>
<p><b>11.</b></p>	<p><b>Policy Updates</b></p> <p><b>i Fees Policy</b></p> <p>The VPF&amp;R explained that the majority of the amendments related to changes in the GLA funding rules.</p>

	<p>The policy also included revised fees for HE students from 2025/26. Fees for HE students would increase from £6000 per year to £7,500 per year for a full time student. Part time HE courses would increase from £3000 a year to £3750.</p> <p>These fee increases were subject to the Office for Students approving the College's Access and Participation Plan (APP). Fees for international students on FE programmes would increase from £5000 to £6,000 in 2025/26 and fees for international students on HE programmes would increase from £6,995 to £8,750 in 2025/26. Implementing the APP would also incur some costs which would need to be set against HE fee income.</p> <p>The P&amp;CEO reported that the College was moving towards HNC/HND provision in areas where there was local demand rather than delivering BA degree courses. The University of Roehampton already provided nursing degrees course at the College and this arrangement could be extended to other universities. The Committee noted that HE student numbers were falling at Colleges generally.</p> <p>There were some discrepancies in the HE fees quoted in the policy, which would need to be corrected before the policy went to the Board for approval.</p> <p><b>Action: DoG and VPAS&amp;HE to correct the HE fees within the Fees Policy</b></p> <p>The Committee <b>recommended</b> the updated Fees Policy to the Board for approval</p> <p><b>ii Reserves Policy</b></p> <p>The VP&amp;R reported that the College Financial Handbook (CFH) for 2024/25 came into effect from 1 August 2024. The CFH included a requirement for Colleges to have a formal reserves policy.</p> <p>Following discussion the Finance and Resources Committee agreed that a minimum cash reserve should be set at £5m with a maximum cash reserve of £7m. These figures will be reviewed annually.</p> <p>The Committee <b>recommended</b> the Reserves Policy to the Board for approval</p>
12.	<p><b>Annual Review of Terms of Reference</b></p> <p>The Committee <b>recommended</b> the proposed changes to its terms of reference to the Board for approval</p>
13.	<p><b>Post Meeting Evaluation</b></p> <p>The Chair of the Governing Body thanked the Executive for the high quality papers. The Chair of the Committee noted that papers had improved over time. The Executive was asked to take papers as read at future meetings rather than going through them in detail at the meeting.</p>
14.	<p><b>Any other business</b></p> <p>There were no items of other business.</p>
15.	<p><b>Dates of future meetings</b></p>

	Wednesday 6 November 2024 - 6pm to 8pm in person at the Croydon Campus Wednesday 26 February 2025- 6pm to 8pm in person at the Croydon Campus Wednesday 11 June 2025- 6pm to 8pm in person at the Croydon Campus
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*Approved as an accurate record by the Finance and Resources Committee at its meeting on 13 November 2024*

*Clare Mitchell  
Director of Governance*