



Croydon
College



COULSDON
SIXTH FORM COLLEGE



Croydon
University
Centre

MEETING OF THE FINANCE AND RESOURCES COMMITTEE
Wednesday 13 November 2024 at 6.00pm

Room 422, Croydon Campus

MINUTES

Present:	Andrew Lowe (Chair) Caireen Mitchell (Principal & CEO) Ian Valvona Niral Patel Frederick Law Maria Glasscock
In attendance:	Ann-Christine Harland (VP Finance and Resources) Helen Langford (Director of HR)
Observer:	Martin Silverwood, Coulsdon Principal
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.	Minutes of the Part 1 meeting held on 12 June 2024 The minutes of the meeting were <u>approved</u> as a correct record.
4.	Matters Arising not on the Agenda The Committee <u>noted</u> the updated action list. The VPF&R reported that the GLA had not responded to queries about funding publicity for the award of the Salix grant. Internal marketing was a possibility when the project was further forward. Planning permission had not yet been obtained for the installation of the heat pumps and solar panels. This action was now closed. The Chair asked the Executive to take papers as read and to report on key points only.
5.	Human Resources Update The HoHR gave an update on agency staffing. The use of agency staff had significantly reduced and there were now 12 agency staff in post – up from 10 in the report. This figure was less than 2% of the College's total number of staff. Managers would have to submit bids to keep agency staff on into 2025. Discussions were taking place with both unions about the staff pay increase for 2024/25. The NEU had released a list of Colleges that would be taking strike action. Coulsdon College was not on that list.

The College was not in a position to meet the joint trade unions national claim which included 10% or a £3,000 increase in pay, whichever was the greater and a £30K starting salary for all lecturers. The AoC was recommending a pay increase of 2.5%.

The staff pay increase included in the 2024/25 budget was 2%. Given the pressure to balance the budget there was no flexibility to increase above 2%. However, the 2% pay increase could be distributed differently across different groups of staff. There had been previous occasions where staff on the lower salaries had received a high pay increase than staff on higher salaries.

However, there was room for discussion on staff benefits with the unions. The College already met the joint trade unions demands re the living wage and those staff would receive a 5.3% uplift in line with the national increase in the living wage. The College already met the unions demand for a £30K starting salary for all lecturers who also had opportunities for incremental progression.

However, it was possible that there would be ballots for strike action early in 2025, particularly from UCU at the Croydon campus. The Committee questioned the impact of strike action. The P&CEO explained that about 50 staff could be involved in strike action at the Croydon Campus but the number of staff on strike tended to decrease over the strike period. On the positive side, as appraisals had taken place in the summer term and as a result it had been possible to bring forward the award of incremental pay increases for teachers. In addition, between 35 and 40 staff had received one off levelling up payments of £6K. This could reduce the possibility of strike action.

The VPF&R reported that the government had recently announced that Colleges would be included in the Local Government Pension Scheme Guarantee. This could result in a reduction in the College's contributions. She had been in contact with Croydon Council and the actuary who had undertaken the last triennial valuation to see if there would be any reduction in the College's contributions in 2024/25. This could ease the College's financial position. The College would receive a grant to cover the increase in employers' national insurance contributions, but it was not yet clear how this would be calculated.

The Committee discussed the gender and ethnicity pay gap reports. The College was in a positive position in terms of the mean gender pay gap. Progress had been made in reducing the ethnicity pay gap. The focus this year would be on increasing diverse ethnic representation in management positions, with was currently at 26%, This was a key focus and KPI within the draft People Strategy. The focus on driving internal development should lead to an increase in internal progression. The Committee noted that a decrease in ethnic representation in more senior positions was seen across many types of organisations but challenged the Executive to increase the focus on internal progression. This would need to be whole organisation objective and could not just sit with HR. The DoHR confirmed that the College had signed up to the Black Leadership Charter. The Chair suggested that the College nominate areas of its provision for awards to ensure that areas of excellence were recognised and promoted.

The Committee briefly discussed the draft People Strategy which had already been considered at the Governor Day on 6 November. The DoHR asked for any feedback to be sent to her. The People Strategy would be presented to the December Board meeting for approval. The Committee congratulated the HoHR on the development of the strategy and emphasised the need for the whole organisations to be involved in delivery.

	<p>The Committee DISCUSSED the HR report and APPROVED the gender and ethnicity pay gap reports for publication on the College website.</p>
6	<p>Financial Monitoring and Forecast Report as at 30 September 2024</p> <p>This report summarised the College financial performance for the 2 months to 30 September 2024. Grant funding had been accrued to budget as final student numbers would not be available until November. Actual figures to date showed a surplus of £190k against a budgeted surplus of £294k, an adverse variance of £104K. The shortfall in income generated to date was only partial offset from current savings on pay costs of £100k. Further changes had been made to the year-end income forecast in September, increasing the forecast deficit by £160k to £322k. The reasons for this were set out in the report.</p> <p>The VPF&R had recently been informed that a further planning application had made for additional development on the Duppas Hill site, which the College had sold in 2017. If planning was agreed the College would receive a further overage payment. Any payment would not be included the College's operating cash flow and would be recorded in the accounts as an exceptional item.</p> <p>The number of 16-18 students enrolled in 2024/25 remained above allocation, but there were still some withdrawals at the Croydon Campus. There would be some January starts on some courses to ensure the College met its grant allocation.</p> <p>The income forecast for apprenticeship had been reduced. Apprenticeship provision was being reviewed to improve outcomes and savings were being sought to rebalance the potential fall in income.</p> <p>A number of posts had not been replaced to reduce pay costs, these were mainly in support areas.</p> <p>The College's financial health score was still expected to be assessed as good.</p> <p>The Committee <u>discussed</u> the management accounts for 30 September 2024.</p>
7.	<p>Key Issues – Finance and Estates</p> <p>The key issues from this report were discussed under the management accounts item above.</p>
8.	<p>Draft Financial Statements 2023/24</p> <p>The VPF&R presented the draft financial statements, which would also be considered at the next Audit Committee meeting. The external auditors would be present at that meeting, to which all Governors were invited. The external auditors were not expected to report any material issues with the accounts.</p> <p>The key points for the Committee to note were set out in the paper.</p> <p>The College had self assessed its financial health as good for 2023/24 and had put a robust case forward to the DfE. Confirmation of this assessment was needed from the DfE before the accounts were finalised. The Chair emphasised the importance of achieving good financial health in 2023/24.</p>

	<p>The auditors were considering whether a third RPT needed to be declared.</p> <p>The Committee asked the VPF&R what she would consider to be the key financial measures that members should focus on. These were the operating surplus/deficit, the EDITDA and pay costs as a percentage of income.</p> <p>The Committee <u>recommended</u> the draft financial statements for 2023/24 to the Board for approval.</p>
9.	<p>ANNUAL REPORTS</p> <p>i Health and Safety Annual Report 2023/24</p> <p>The VPF&R presented this report, which set out the main priorities for 2023/24. Given the age of the water pipes at the Croydon Campus there would be an annual cost to make the necessary improvements. A fire safety review had taken place following a small fire in the hair and beauty department. The College's insurers had not asked for a written report. There would continue to be a focus on health and safety in the air and engineering workshops. The College had completed all the actions from the internal audit of health and safety.</p> <p>The report set out plans for 2024/25. Frederick Law was attending Health and Safety Committee meetings in 2024/25 as the new link governor for health and safety.</p> <p>ii Sustainability Strategy Annual Report 2023/24</p> <p>The VPF&R presented this report. The strategy was made up of three strands. There had been greater engagement from teaching and learning in 2024/25, particularly at the Coulsdon Campus. A number of sustainability ideas had come through students but there needed to be greater engagement. The strategy would need to be reset in the light of the new strategic plan. This was being discussed with the link governor for sustainability and the Executive Team.</p>
10.	<p>Committee Risk Register</p> <p>The risk register had been redrafted following the Ofsted inspection and reduced to a total of 10 risks. The Committee's remit covered four risks relating to the recruitment of staff, maintaining Good Financial Health, IT developments (including AI, Cyber and MIS systems risks) and continuing to develop the estate, including sustainability objectives.</p> <p>The gross and net risks had been re-assessed for the Autumn Term 2024, and 2 remain of potential concern (risk 7, inability to recruit and retain staff and risk 8 inability to maintain a financial surplus in 2024/25 and maintain good financial health for the next two years). No scorings had changed since last reviewed.</p> <p>In terms of risk 9, IT, the triennial internal audit of cyber security would take place in 2024/24. There would be further discussion about the introduction of AI into teaching and learning and moving from Moodle to Teams for learning resources. The Committee expressed concern that 25 staff had responded to a recent phishing exercise. These staff would receive additional training. The Committee recommended that all staff should received specific training on phishing and cyber security. The Committee challenged the Executive to consider whether 25 staff not recognising a phishing email was acceptable.</p>

	<p>The Chair of the Governing Body expressed concern about the risk that the Executive might not achieve a balanced budget and whether decisions would need to be made at Committee/Board level to address this. The P&CEO responded that the College's income for 2024/25 was not yet finalised and that it was too early in the year to understand the full position. If significant changes were needed in order to achieve a balanced budget this would be brought to the attention of the Committee.</p> <p>The VPF&R assured the Committee that all the appropriate actions were being taken to achieve a balanced budget including managing teaching hours, class sizes and improving staff utilisation. The Executive Team was emphasising the importance of senior managers managing their budgets to achieve a balance between income and expenditure. The October management accounts were expected to show a more positive position.</p> <p>Next deep dive</p> <p>The Committee agreed that there would be a deep dive into the financial forecast and progress towards achieving the budgeted surplus at its next meeting.</p> <p>Action: Deep dive into the financial forecast and progress towards achieving the budgeted surplus at the next meeting</p> <p>The Committee <u>discussed</u> the strategic risks within the remit of the Committee.</p>
11.	<p>Policy Updates</p> <p>The VPF&R outlined the changes to both policies for 2024/25.</p> <p>i Financial Regulations</p> <p>The CORPORATION recommended the amended Financial Regulations to the Board for approval</p> <p>ii Health and Safety Policy</p> <p>The Committee recommended the revised Health and Safety Policy to the Board for approval</p>
12.	<p>Committee Self Assessment</p> <p>This item was discussed at the end of the Part 2 meeting which followed.</p>
13.	<p>Any other business</p> <p>The Committee asked for an update on the progress of the estates work. The VPF&R reported that Colleges were awaiting the outcome of the Chancellor's speech and DfE/GLA priorities in regards to future capital bid opportunities, the DfE has appointed 3 firms of surveyors to undertake more consistent College condition assessments, but it is not known when the visits would take place.</p> <p>The Committee discussed obtaining a cost for bringing the College's estate at both campuses up to Category A. The VPF&R reported that Lambert Smith Hampton had undertaken this exercise pre Covid. Any revised costing would need to be based on a clear view of what the College wanted to achieve and why. It was agreed that this needed wider discussion at the Committee.</p>

	<p>Action: The Committee to have a wider discussion of the priorities for the College estate</p> <p>The VPF&R would circulate the report from LSH to the Committee</p> <p>Action: The VPF&R to circulate the LSH report on costs of upgrading the College estate to the Committee</p>
14.	<p>Dates of future meetings</p> <p>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</p>

Approved as an accurate record by the Finance and Resources Committee at its meeting on 26 February 2025

*Clare Mitchell
Director of Governance*