

FINANCE AND RESOURCES COMMITTEE  
19 JANUARY 2016

## MINUTES

<b>PRESENT:</b>	Piers White (Committee Chair) Gordon Smith (Chair of Governors) Frances Wadsworth (Principal/CEO) Martin Corney Trevor Morgan Jackie Wilding
<b>CLERK:</b>	Melissa Drayson
<b>IN ATTENDANCE</b>	Keith Oxspring - Chief Operating Officer (COO) Andy Smith - Deputy Chief Executive (DCE) Jo Bland - Director of Human Resources (DHR)
<b>APOLOGIES</b>	Kevin Zuchowski-Morrison
<b>QUORUM</b>	The meeting was quorate throughout
<b>TIMING</b>	6.10 – 7.42pm

Item	Action Lead
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- 1. Apologies for absence**  
Apologies received as above
- 2. Declaration of interests**  
There were no declarations of interest relating to items on the agenda.
- 3. Minutes of the meeting on 3 November 2015**  
  
The main and confidential minutes of 3 November 15 were **approved** as an accurate record and signed by the Chair.
- 4. Matters Arising not covered elsewhere on the agenda**  
  
**15.69.ii HR Report:**  
The Principal updated the Committee that the proposal to implement the November 2015 increase in the London Living Wage for the lowest paid staff had been effected.

It was also reported that a version of GOAL for staff had been implemented. This would take place regularly, (similar to Student GOAL), with agreed themes and with briefed staff gathering feedback. A staff survey was due to be launched on Moodle the following day. The feedback will be collated, reviewed and presented to staff and governors with follow up actions.

**AGREED: that a staff feedback report would be brought Principal back to the Committee.**

**5. Financial Monitoring**

*Supporting paper presented by the COO*

The Board noted the key issues from the narrative in the report, in particular:

- the impact of under-recruitment of 16-18 year old students on 2016-17 funding,
- the in-year impact of the shortfall in adult apprenticeship recruitment.

A higher year-end deficit than that included in the October 2015 management accounts was now predicted. It was confirmed that whilst apprenticeship recruitment and performance was strong compared to previous years, it was not as high as had been planned in the budget. The adult apprenticeships shortfall contributed significantly to this, although some of the shortfall was offset by cost savings in this area. On the upside, it was estimated that the benefits from the Learning Curve partnership work would have a £100k positive impact on the year-end position and that the overall target for the adult skills budget would be met.

It was assumed that 75% of budgeted income and costs from Acquire would be achieved although negotiations were ongoing. Members were reminded of the prudent approach taken by the College in its work with Acquire and on line developments.

The year to date deficit for the 4 months to November 2015 included in the income and expenditure account was slightly more favourable, mainly due to the lower sessional pay costs which tend to be lower in the earlier part of the year. It was noted that agency costs were likely to increase significantly later in the year.

The Committee noted that the financial health grade for the year was forecast to remain in line with the plan at 'good'.

Governors asked for more information about the shortfall in 24+ loan take-up. Management confirmed that the impact was across the board, rather than relating to any particular curriculum area, and was also believed to be a sector-wide issue. The extension of loans to 19-23 year olds in 2016/17 would represent a financial risk for the College it was thought.

Although apprenticeship income was below budget, it was noted that the amount delivered directly was higher than the previous year.

It was confirmed that the forecast dip in cashflow between January and March 2016 related to the profile for the receipt of EFA funding. It was noted that some colleges, whose financial position was not as strong as Croydon may experience particular difficulties brought about by lack of cash headroom during this period.

In response to comment about the apparently high debtor level, it was reported that most of this related to anticipated student loan company income. The changes recently made to the fee policy, which would allow discretion to be used to waive some fees, should result in a reduction in the need to provide for bad debts.

**6. Student Numbers Update**

*Oral report by the Deputy Chief Executive*

It was noted that there had been issues with an upgrading of the software package used by many if not most colleges which meant that it had not been possible to update the funding tracker or bring accurate figures for adult learners. An update would, therefore, be brought to the next F&R Committee.

**7. Human Resources**

*Updated Staff Code of Conduct, presented by the Director of HR*

As with a number of policies, the Staff Code of Conduct had been updated in the light of the Prevent Duty. Resulting minor changes had been made and the trade unions had been consulted.

**RESOLVED: that the revised Staff Code of Conduct be recommended to the Board of Governors for approval.**

The Committee was given a general oral update on other HR issues:

- A ballot was planned by Unison regarding the AOC recommendation for a 0% pay award. The college had continued with its position which was that pay awards would be considered on affordability grounds and that this would be kept under review. Governors sought information about the number of staff who received an incremental pay rise and requested a report giving a percentage breakdown for both teaching and support staff, and the average incremental rise.
- It was noted that the legislation ending national insurance contracting out for both employees and employers in respect of the Teachers' Pension Scheme and the Local Government Pension Scheme would take effect in April 2016. A report on pensions generally including the effect of auto-enrolment and implications for the college would be brought to a future meeting.

**DHR**

**AGREED: that the following reports be brought to the March meeting:**

- (i) **A report on the cost of staff incremental pay increases**
- (ii) **A report on the changes to pensions law/contributions and auto-enrolment.**

<b>Item</b>	<b>Action Lead</b>
<p><b>8. Estates Update</b>  <i>An Estates Update Report was tabled by the Principal and Chief Operating Officer</i></p> <p><i>RESOLVED: that, for reasons of commercial sensitivity, a confidential minute be taken of this item.</i></p>	
<p><b>9. Risk Monitoring</b>  <i>Supporting paper by the Principal</i></p> <p>The report was noted. The specific focus at the March meeting would be on the business continuity risk. It was suggested Paul Marsden might like to attend and present his actions and findings for the last 12 months and plans for the next.</p>	
<p><b>10. Scheme of Delegation</b>  <i>Supporting paper by the Clerk</i></p> <p>The Committee welcomed the draft document and no additions or amendments were suggested. Further work would be undertaken to ensure that delegations to the Learning and Quality Committee and Audit Committee were reflected. Once the Scheme had gone through these committees, a final version would be taken to the Board for approval.</p>	
<p><b>11 Dates of Future Meetings</b></p> <p>8 March, 26 April and 29 June 2016.</p> <p>It was noted that the Chair of Committee was not available on 8 March. The Clerk would try to find an alternate date for the meeting. <i>Subsequently confirmed as 1 March 2016.</i></p>	
<p><b>12. Other Business</b></p> <p>There was no other business.</p>	

Signed \_\_\_\_\_ (Chair)

Date: \_\_\_\_\_