



MINUTES

PRESENT: Piers White (Committee Chair)
Gordon Smith (Chair of Governors)
Martin Corney
Frances Wadsworth (Principal/CEO)
Jackie Wilding
Trevor Morgan

CLERK: Evan Williams

IN ATTENDANCE Keith Oxspring - Chief Operating Officer (COO)
Andy Smith - Deputy Chief Executive (DCE)
Jo Bland - Director of Human Resources (DHR)
Paul Marsden – Director of IT & Estates.

APOLOGIES No apologies

QUORUM The meeting was quorate throughout

TIMING 18.00 – 20.20

Item	Detail
	<p>Pre meeting update Measures to Keep Croydon College Students and Staff Safe</p> <p>The Principal & CEO introduced this item. She tabled the paper and highlighted the importance of keeping students and staff safe in light of the heightened threat of terrorist incidents as well as from a continued Safeguarding and Prevent perspective.</p> <p>The Director of IT & Estates provided the committee with an update of advice taken and measures put in place including the circulation of Run, Hide, Tell to staff, a video that had been produced by Metropolitan Police. There had been follow up workshops with curriculum staff that had then used the materials to work through with students in tutorials. In addition revised practices for evening Duty Managers and training laid on for them all was also highlighted.</p> <p>There was a wide discussion about safety including the adjacent car park (which it was noted is not owned by the College) and general site security. The Director of IT & Estates assured the committee that he was in regular contact with the car park site owners, local police and safety specialists.</p> <p>It was agreed as an action that the Director of IT & Estates would report back to the committee at the next meeting in September on access to the car park, the Council's measures to secure their vacant properties and overall College site security.</p> <p>It was noted that knife crime is an increasing concern for Police across the UK but particularly so in London. The Principal advised that the College carries out "wandering checks" weekly in term time and a knife arch activity in conjunction with the Met Police is undertaken twice a year to deter students from carrying knives. She advised</p>

	<p>that students have openly stated that they feel safe inside the College, and that our practices are kept under close review with the support of the Met Police.</p> <p>It was also noted that a review of the chaplaincy was in progress with Bishop Jonathan advising (he has a cross Croydon role with all faiths), this includes sourcing appropriate support for the leadership of Muslim Prayers on a Friday.</p> <p>Action - Director of IT & Estates to report back to the committee in September on access to the Car Park and site security.</p>
1	<p>Apologies for absence There were no apologies for absence.</p>
2	<p>Declarations of interest There were no additional declarations of interests relating to items on the agenda</p>
3	<p>Minutes of the meeting held on 25 April 2017 The Minutes were approved as an accurate record and were signed by the Chair.</p>
4	<p>Matters arising from the minutes not already on the agenda</p> <p>Item 10.v Information and Security Policy A question was asked if the College had Cyber Security insurance, the COO advised that the College was covered by Cyber security insurance.</p> <p>A question was raised regarding General Data Protection Regulations (GDPR) and what action the College was taking with regards to this. The Committee were advised that the Director of MIS was leading the review implementing the new regulations when they come into force in May 2018.</p>
5	<p>Financial Monitoring and Student Numbers report <i>Supporting papers presented by the COO and DCE</i></p> <p>i. Financial Monitoring</p> <p>The April 2017 Management Accounts were taken as read, and headlines presented.</p> <p>The COO advised the committee that the forecasted full year deficit on operations had been reduced from £974k to £924k compared with an original budgeted deficit of £284k. He reminded the committee that the key reasons for the deterioration in financial performance were:</p> <ul style="list-style-type: none"> • 19+ level 3 loan income • 16-18 apprenticeship income • HE income • The demise of Acquire Learning. <p>The Committee noted the issues relating to financial performance but the Chair welcomed the slight improvement as an indication that measures taken are beginning to take effect.</p> <p>The full year forecast included the additional costs as a result of the LGPS actuarial valuation as at 31 March 2016 which are forecast to be £13k higher than budget.</p>

	<p>He advised that the adjusted staff cost percentage had moved to 70%</p> <p>The COO advised that the balance sheet was included in schedule two and that the financial health had been calculated using the new SFA formula with a likely full year rating of “satisfactory”. The COO asked for approval to amend the amount of Bank loan repayment from £2.0m to a total of £2.2m, this was approved by the committee.</p> <p style="text-align: right;">Resolved – repayment of Bank loan from sale of Duppas Hill from £2.0m to £2.2m</p> <p>ii. Student numbers report</p> <p>The DCE confirmed that no material change to student numbers had taken place since the previous meeting and full details had been included in the budget working paper notes. However the DCE alerted the members to the change in the Apprenticeship market, post April. The College recruited significantly over target to the end of April (total 261 apprentices) but since the beginning of May no further recruitment of either levy or non-levy apprentices had been made.</p> <p>The DCE also alerted the Committee to the decline in firm acceptances of the FT HE offers made by the College. The particular concern is in the School of Art but the Executive is taking action through a restructuring programme to reduce costs in that area. The College has traditionally recruited over half of its FT HE students in the clearing period, but it is likely that this year this period will see a ‘buyer’s market’ with most HEIs offering places to suitably qualified candidates, with strong competition across all providers. The DCE also noted that whilst there is a small decline in the number of active applicants 16-18 FT, it is apparent that this is more than compensated for by our current students who are intending to progress to the next level.</p>
<p>6.</p>	<p>Budget and Financial Forecast 2017-18 <i>Supporting paper presented by the COO</i></p> <p>Financial objectives.</p> <p>The COO reminded the committee that the College financial objective was to ensure that the College has the appropriate funds available and funding streams in place to be able to meet the needs of students today and for the foreseeable future.</p> <p>He referred the committee to the proposed short term (two year) financial objectives :</p> <ol style="list-style-type: none"> 1. To achieve an overall ESFA Financial Health of at least “satisfactory” 2. To achieve a surplus on operations 3. To achieve EBITDA of at least 5.0% 4. To reduce the pay to income ratio to a maximum of 68% 5. To maintain a current ratio of 2.0. <p>The short term financial objectives were approved by the Committee.</p> <p>Key headlines were:</p> <ul style="list-style-type: none"> • Income forecast for 16-18 ESFA £8,012K • Adult Education budget has been set at a similar level to 2016/17 less a sum of £284k in respect of 19+ which has now been included as part of the 16-18 funding. A request was made for the EBITDA figure to be presented as a figure rather than a percentage; this was noted as an action going forward. • 16-18 Apprenticeships – this area of activity is considered to be a growth opportunity with income levels in 2017/18 forecast to increase by 22% on 16-

	<p>18 Apprenticeships and almost 54% on Adult Apprenticeships.</p> <ul style="list-style-type: none"> • HEFCE – the College are predicting a decrease in student numbers in both 17/18 and 18/19 with this area of income being classified as high risk. The committee was advised that the College was down 25% on applications for the same period last year and down 40% on confirmed numbers. • Pay costs had been compiled based on the anticipated establishment as a 1 August 2017. The committee was advised of the general assumptions used in calculating the future pay costs including pay to income ratio targets of 67.8% on 2017/18 and 67.5% in 2018/19. • LGPS contribution rates have been included in line with current agreements made with the actuary. <p>A discussion ensued regarding local apprenticeship provision with the DCE confirming that the two most popular local apprentice provision areas were Health & Social Care and Plumbing; however it remained a problem to recruit staff.</p> <p>RESOLVED: The short term financial objectives were approved by the Committee Action: EBITDA figure to be presented as a figure rather than a percentage. RESOLVED: That it be recommended to the Board of Governors that the Budget for 2017-18 be approved.</p>
7.	<p>Tuition Fees</p> <p>a. Higher Education Fees proposal for 2018/19 <i>Supporting paper by the Deputy Chief Executive</i></p> <p>He informed the committee that a higher education provider that wishes to charge a full-time fee, or part-time fee pro rata, in excess of £6,000 per annum must apply to the Office of Fair Access (OFFA) setting out in an Access Agreement the fees proposed and how a portion of that enhanced income would be used to widen participation, typically through bursaries and additional support services.</p> <p>The DCE advised that the proposal to OFFA for the 2018/2019 academic year and beyond was attached and that the College should receive a response from OFFA by the end of July. The College are not obliged to implement the proposals but would have no flexibility to raise fees without it.</p> <p>He informed the committee that the College had not implemented its 2017/2018 Access agreement because of the intense competition in the sector for students. The low fees are a strong selling point and are aware that several of the universities based in London have reduced their fees to £6,000 in order to increase their market share.</p> <p>The Chair thanked the DCE for his report. The Chair suggested that this item be discussed in greater detail in September and then confirmed by members through email.</p> <p>The Committee noted the report and <u>agreed</u> that further information would be forthcoming in September, when a decision could be arrived at through email.</p>
8.	<p>Human Resources Update <i>Verbal update provided by the Director of Human Resources</i></p>

	<p>The committee noted the update.</p> <p>The Chair asked if there were any questions from the committee. The Chair enquired as to what extent the College and staff were affected by Brexit. The Director of HR stated that there did not appear to have been a direct impact to date however there may be an impact on recruitment for the next academic year. It was agreed that the Director of HR would report back at the next committee meeting.</p> <p>Action – Director of HR to report in impact of Brexit on recruitment and staffing at the next meeting.</p>
9.	<p>Risk monitoring <i>Supporting paper presented by the Principal and Director of IT & Estates.</i></p> <p>The risk register and risk map were noted.</p> <p>The Director of IT & Estates presented the update to the Operational Risk 3 – Severe Business Disruption. He advised the committee that a recent audit had identified a risk regarding recording of an aspect of staff training. This, the Director of IT & Estates advised, was in the process of being rectified. A series of training events was in place with all training being recorded.</p> <p>The Committee considered the update to the Severe Business Disruption risk and noted the updated to the risk report.</p> <p style="text-align: right;">The Committee noted the report</p>
10.	<p>Review of Terms of Reference for F&R Committee. The ToR for the F&R committee were presented by the Clerk.</p> <p>The Clerk informed the committee that the committee terms of reference need to be reviewed periodically. He advised that the changes were referenced as track changes in the paper presented to the committee and that there no significant changes.</p> <p>RESOLVED: that it should be recommended to the Board that the revised Finance and Resources Terms of Reference be approved.</p>
11.	<p>Dates of 2017-18 meetings</p> <p>The 2017-18 dates were noted</p>
12.	<p>Other business</p> <p>There were no urgent items of other business.</p>

Signed (Chair)..... Date

Item	Action	Owner	Status
Pre meeting update	Director of IT & Estates to report back to the committee in September on access to the adjacent car park and College site security	Director Estates & IT	
6	EBITDA figure to be presented as a figure rather than a percentage.	COO	
8.	Director of HR to report in impact of Brexit on recruitment and staffing at the next meeting in September	Director HR	