

**FINANCE AND RESOURCES COMMITTEE
11 MARCH 2015**

MINUTES

PRESENT:	Piers White (Committee Chair) Frances Wadsworth (Principal) Trevor Morgan Jackie Wilding Gordon Smith (Chair of Governors)
CLERK:	Melissa Drayson
IN ATTENDANCE	Keith Oxspring - Chief Operating Officer Andy Smith - Deputy CEO (Item 15.15 only) Jo Bland - Director of Human Resources (DHR)
APOLOGIES	None
VACANCIES	One
QUORUM	The meeting was quorate throughout
TIMING	6.05 – 8.20pm

Item no.		Action Lead
	Changes to order of items In order to enable staff in attendance to leave the meeting early, it was agreed that the Student Numbers Update (15.15) and Human Resources Update (15.18) should be taken first.	
15.10	Apologies for absence Apologies received as above	
15.12	Declaration of interests For the benefit of Committee members who were not present at the previous meeting, Gordon Smith reiterated his declaration that Riddlesdown Collegiate had a small number of students receiving tuition at Croydon College, for which he authorised the payments.	
15.13	Minutes of the meeting on 3 February 2015 The minutes of 3 February 2015 were approved as an accurate and fair record and were signed by the Chair	
15.14	Matters Arising not covered elsewhere on the agenda All actions from the 3 February had been completed.	

15.15 FINANCIAL AND STUDENT NUMBERS MONITORING –

Student Numbers Update Report

Supporting paper tabled by the Deputy CEO

The Committee noted the following headlines:

16-18 Learner Responsive numbers were 1624 against a 2014-15 recruitment target of 1880. The 2015-16 indicative allocation had been 1633, and the final allocation confirmed as 1651. The College final outturn this year will be in the region of 1640 . It was difficult to predict the allocation for 2015/2016 because of the number of variables in the calculation over and above the raw number allocation.

Adult Learner Responsive It was not yet known how the cuts to the Adult Skills Budget would impact and, whether Jobcentre Plus and Additional Learning Support would be affected by the reduction.

16-18 Apprenticeships The College has increased its recruitment significantly above the whole year figure for 2013/2014, partly as a result of a partnership with Just IT but also because of stronger direct recruitment.. Progression Week had been successful, with 140 employers visiting the college to give mock interviews, run workshops and to make our students aware of the vacancies currently open, mainly for part-time employment. One party had approached the College to form a compact, which would offer work placements and apprenticeship opportunities, along with job advertisements and student interviews within the college.

During the week of the meeting, students' intended destinations were being collated and recorded. Tutors will work with students who are undecided to help them make their choices to the next stage and it is expected that this year there will be more students wanting to become apprentices than last year. This week was also National Apprenticeship Week, with a range of internal promotional activities, and positive links being made with employers.

It was anticipated that the College should be £150k over target on 16-18 Apprenticeships, and should receive this additional funding at the end of the year.

19+ Apprenticeships/Employer Responsive

There was confidence that the 19+ apprenticeship learner numbers gap would be narrowed by the year end with the recruitment of 170-200 additional apprentices. Sixty of these would be attached to the college Hospice partnership. The new Lee Stafford Hair Academy would also promote the College's apprenticeships to all of its salons. This support had been highly successful in other Colleges in partnership with the Lee Stafford Academy, resulting in a significant increase in new apprenticeship starts.

There was concern that JobCentre Plus (JCP) provision was

**Item
no.**

**Action
Lead**

significantly under target, which would result in funding having to be repaid by the college at the year-end. The situation was being pursued with JCP who had asserted that it was caused by fewer Job Seekers Allowance claimants.

2015-16 Partnership Provision

It was hoped that 150 additional 16-18 Learner Responsive learners might be recruited through working with three partners in 2015-16: Just IT, Build It and London Youth (sic). The latter would involve the College contributing to an education programme for homeless and dispossessed young people. This was very much in line with the College strategy to work with partners for young people who would not normally come to college.

Higher Education

The College had hit its student number control target but not its overall fees target, although it was hoped that the partnership with Acquire Learning would compensate in part for this.

As reported at the February meeting, this partnership was potentially financially rewarding but there were risks associated with the Acquire business model. These mainly related to students being taken on and applying for student loans, but either not starting the course or dropping out early in the process.

The College was currently in talks with both HEFCE and the Student Loans Company about its work with Acquire and the associated level of risk exposure, and the measures it was taking to mitigate risk.

The College would continue its cautious approach to the partnership, although it had increased its target to 300 starts by the end of the year. A decision had been made to take back responsibility in-house for vetting students for the Acquire courses, to ensure they met the entry criteria and to thus increase the likelihood that they would complete the course.

It was reported that BIS was also looking at Acquire Learning's model, as the cost to the exchequer in Student Loans was £100m. It was believed that other Colleges might not have been as cautious as Croydon in terms of recruitment through Acquire.

It was reported that the Learning and Quality Committee had also discussed the risk associated with the Acquire partnership, and had asked that an additional risk should be added to the risk register specifically to reflect the exposure for the College.

RESOLVED: that the proposal of LQC relating to a new entry on the risk register relating to Acquire learning, should be supported.

Andy Smith left the meeting at 6.50pm

15.18 HUMAN RESOURCES UPDATE

i. **Annual Report on the Staffing Profile of the College** *Supporting paper tabled by the Director of HR*

Headlines from the report were reported orally. The report was brought to governors annually to show the overall staffing profile, plus breakdowns by protected characteristics, in line with the Board's responsibilities under the Equalities Act 2010.

The average number of employees was reducing, partly due to the use of agency workers to cover staff who resigned mid-year. The age profile of the staff was generally static, with the average age of a college employee as 46 compared to 47 the previous academic year. There had, however, been a slight reduction in the number of staff over 60.

The gender breakdown of staff was similar to previous years, with an increase in women in management in positions in 13-14. The gender breakdown of managers now reflected the whole staff profile.

The high staff turnover was considered to be a feature of London Colleges, where there was a high level of movement between colleges. Governors asked whether turnover was higher among new staff. Anecdotally, this was thought to be the case. A breakdown would be provided in future reports.

The question was also raised about whether staff might be affected by feelings of job insecurity. Although this was probably the case in the FE Sector, it was not thought to be a particular issue at Croydon College.

The number of recruitment campaigns was significantly fewer than the previous years.

Both the breakdowns of staff by disability and ethnic background remained static. In respect of ethnicity, the staff profile was not representative of the student profile but nor did it mirror the local community. It was considered, however, that the number of people of BAME background in the community tended to be in the younger age groups. Thought should be given to comparing Croydon College's staff profile with the London Colleges staff profile and the National profile to provide other comparative measures.

An analysis of disciplinary cases showed that staff of White British origin tended to resign before their case got to the hearing stage.

The timing of the report in future years was discussed.

DHR

AGREED: that the report would be brought to the Committee in the Autumn Term in future years.

ii **HR Policies and Procedures Review** *Supporting papers by the Director of HR*

a. **Redundancy and Redeployment Procedures.**

There were no significant changes to the procedures.

AGREED: that the Board of Governors should be advised that the F&R Committee approved the minimal changes to the Redundancy and Redeployment Procedures

b. Staff Code of Conduct

Two areas had been changed. The first concerned the need for contractors and other partners to be bound by the Code of Conduct. This would be made explicit in the pre-conditions of the contract. The first involved the insertion of a paragraph to determine the rules relating to staff who were in a relationship with one another. This would replace a separate policy on the issue.

AGREED: that it should be recommended to the Board of Governors that the revised Staff Code of Conduct be approved.

15.15 FINANCIAL MONITORING contd.

Supporting papers – January 2015 Management Accounts

The management accounts were taken as read, with the following noted in particular:

- The forecasted year end figure of £392k was slightly better than the December estimate;
- The potential contribution from Acquire Learning might be up to £80k, but as yet this was not included in the figures;
- The additional income allocation of £200k from the Adult Skills Budget, reported to the February meeting, had now been factored into the accounts. £160k of this would be paid out in partnership costs;
- The provision for under-delivery against the JobCentre Plus contract had been increased
- Curriculum pay costs were higher than budget. This was due in part to an overspend on assessors employed in the Construction area where the budget set was insufficient. The 'spike' in expenditure on assessors would reduce toward the year end, and the spend would be factored into next year's budget.
- The cashflow graph showed an anticipated year end cash position of £5.7m.

Governors sought and were given confirmation that, on the basis of the cash position, there was a high level of confidence that the College contribution to the LEP funded Capital Project would be met.

It was queried whether the £118k budgeted for 'other' capital expenditure on land and buildings had been committed to any projects. It was considered likely that there would be an underspend against this budget.

The full year cost of bad debt was likely to be £40k better than anticipated. This had not yet been factored into the accounts. Debts had been RAG rated on an individual basis, so there was reasonable confidence that this reduction would be achieved.

15.16 BUDGET PREPARATION 15-16

Supporting paper by the COO

The plan had been developed on a similar basis to the previous year, but with key milestones earlier in the year, to ensure that the Board had sufficient opportunity to comment prior to approval in July.

The reduction in Adult Skills Funding would be factored into the budget once the exact allocation was known.

It was confirmed that the income and expenditure assumptions underlying the budget would be closely linked with the curriculum plan.

AGREED:

- (i) that the key assumptions for each income line in the budget should be brought to the Board for consideration in May** COO
- (ii) that any significant changes to the curriculum plan would be discussed at the next Board Workshop in May and that the Clerk would confirm details of this to the whole Board** DCE
- (iii) that the timetable would identify interim points at which LQC and F&R Committees would provide early input into the plan and budget** COO

15.17 TUITION FEES POLICY 14-15

Supporting paper by the COO

The main body of the Policy contained minimal changes. A new appendix for distance learning fees had, however, been added. Clarification was given to Members on profile of HE fee liability. The three stages were designed to mirror the profile of tuition fees paid by the Student Loans Company. The same fees liability applied whether a student was in receipt of a student loan or self funding. Governors queried why self-funding students were not asked to pay in three equal termly instalments. It was explained that those self-funded students who were unable to pay their fees in full were offered a facility to pay their fees in up to 5 payments being made up of a deposit followed by 4 further monthly instalments. The liability to for the student to pay fees if the course was not completed was in line with BIS recommendations.

It was suggested that the next time this Policy is reviewed that careful consideration is given to simplification of the paper as it was hard to understand for those not involved in the day to day running of the College.

RESOLVED: that it be recommended to the Board of Governors that the Tuition Fees Policy 14-15 be APPROVED.

15.19 ESTATES AND CAPITAL DEVELOPMENT

Oral update by the Principal and COO

The Principal reported that they College had just been informed that

it had been successful in its bid for London Local Enterprise Partnership Funding for the West End redevelopment. The Committee offered its congratulations and asked for detail of the timeline. It was important that the building work should be planned to cause as little disruption to learning as possible. Initial discussions had been held with the Borough Council, and there were not anticipated to be any major obstacles to obtaining planning permission. The Committee saw the approval as a good opportunity for positive publicity.

It was also reported that the Executive Team would be reviewing the overarching College Property Strategy. This would ensure robust linkage between the Property Strategy and the Curriculum Strategy, but also maximise room utilisation and assess the impact of the loss of light to some rooms in the East End as a result of the forthcoming Tower Block redevelopment.

15.20 RISK MONITORING
Op2: income and Contribution Targets

Members considered that this item would be better placed at the start of the meeting as a 15 minutes ‘challenge discussion’, to gain a better understanding of how various operational activities and assurance reports mapped together to mitigate risk, provide an opportunity for brainstorming, and establish the Board’s risk appetite (ie, were mitigations in aggregate sufficient to reduce risk to the level acceptable to the Board?)

It was agreed that, of all of the risks that the College faced, those around income and contribution were currently among the most critical. The need to ensure the accuracy and relevance of business planning was vital. If the College was going to reduce in size because of falling income and demographic changes, this needed to be planned for. Part of the process was having a thorough understanding of Local Market Intelligence, including the competitive landscape and emerging opportunities in order to make informed and sustainable decisions. The College would need to be alert to new possibilities without compromising its integrity or the quality of its product.

15.8 DATES OF FUTURE MEETINGS

20 May at 4.30pm

1 July at 6pm

15.9 OTHER BUSINESS

There were no urgent items of other business

Signed _____ (Chair)

Date: _____