

**FINANCE AND RESOURCES COMMITTEE  
31 OCTOBER 2017**

**MINUTES**

<b>PRESENT:</b>	Piers White (Committee Chair) Jackie Wilding Trevor Morgan Varsha Mehta
<b>CLERK:</b>	Evan Williams
<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>	Gordon Smith Frances Wadsworth Martin Corney
<b>QUORUM</b>	The meeting was quorate throughout
<b>TIMING</b>	18.50 pm – 20.15

Item	
1.	<b>Welcome and Apologies for absence</b> Apologies received as detailed above
2.	<b>Declaration of interests</b> There were no declarations of interest relating to items on the agenda.
3.	<b>Minutes of the meeting held on 26 September 2017</b> The minutes of 26 September 2017 were <b>approved</b> as an accurate record and were signed by the Chair
4.	<b>Matters Arising not covered elsewhere on the agenda</b>  The clerk advised that action items 7 and 13 from the previous meeting were complete and action item 12 was ongoing.  The chair raised a question regarding the council proposal to establish a SEN/High Needs unit within the College. The DCE advised that the Council were in the process of carrying out a feasibility study for the provision and that it was highly unlikely to be ready for September 2018 with a start date of September 2019 being more reasonable.
5.	<b>Capital and Estates report.</b> Supporting paper – Produced by Jill Small – Property Consultant.  It was agreed by all present that the paper had been superseded by events of the previous week and that the Chairs Strategy Group plus F&R meeting that had taken place just prior to the F&R had discussed all the relevant points in the paper.  <b>The Committee noted the report.</b>

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6.	<p><b>2017/18 STUDENT NUMBERS REPORT</b>  <i>Paper tabled by the Deputy Chief Executive,</i></p> <p><u>16-18:</u> The current number of 16-18 students was, at the point of writing the report, 1,372 against a contract target of 1,399. The College was currently confirming funded students post 42 days. The DCE informed the Committee that the College was continuing to recruit to the Crystal Palace For Life programme.</p> <p><u>Adult Classroom based Learning:</u> Recruitment to adults was above target and recruitment numbers were currently at the same level as this time last year. The College would only be able to confirm funding value once a clean ILR submission is ready for the ESFA. Advanced learning loan applications are higher than at the same time last year by 38. However, it remains to be seen if this will translate into funding that can be drawn down.</p> <p><u>Higher Education:</u> This was the third year of unlimited recruitment of full-time students in Higher Education with further evidence of increased competition resulting from reduced entry criteria and extended undergraduate programmes by Universities. Croydon College is down on recruitment numbers which will impact on the income budget. A discussion ensued as to why numbers were down. The DCE advised that following discussions with the University of Sussex they had suggested that the London market had become saturated and that students were being accepted on lower and lower grades. The College has also been adversely affected by withdrawals between levels 4 and 6 with fewer students than expected returning after intermission. The Committee asked why this was the case. Reasons given were: students failing, students having greater care responsibilities and students moving out of the area/country.</p> <p><u>Apprenticeships:</u> The DCE informed the committee that it had been widely reported that recruitment of apprentices from May to July fell by 61% on the previous year nationally. Recruitment was beginning to recover – with the College being prime provider for Crystal Palace and Croydon Health Care.</p> <p>PW asked those present if they had any further questions, no further questions were raised. PW thanked the DCE for his report.</p> <p style="text-align: right;"><b>The Committee received the report.</b></p>
7.	<p><b>FINANCIAL MONITORING</b>  <i>Supporting paper, presented by the Chief Operating Officer</i></p> <p>The COO advised the committee that the report summarised the College financial performance for the two months to 30 September 2017. The overall performance for the two month period was a surplus of £13k compared to a budgeted deficit of £9k.</p> <p>Key items discussed by the committee were:</p> <ul style="list-style-type: none"> <li>• 16-18 EFA learner numbers were targeted by the EFA as 1,399 for the year to 31 July 2018 with a similar number being included in the curriculum plan. Student numbers were 1,495 but these students were not eligible for funding until the last week of October.</li> <li>• 16-18 and adult apprenticeships, recruitment levels were currently below expectations, income figures included in the report were a notional 10% below budget.</li> <li>• HE tuition fee income levels currently below budget. However, a more</li> </ul>

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	<p>accurate picture will evolve at the end of October.</p> <ul style="list-style-type: none"> <li>Teaching pay costs are relatively low due to a combination of lower established staff numbers and lack of sessional staff costs in August.</li> </ul> <p>Non pay costs were included as budgeted. The Student Association expenditure for period ending 31 July 2017 was approved by the Committee.</p> <p>A discussion ensued regarding the aged debt profile and what action can be taken to improve it. It was agreed that this be taken as an action by the COO to report back at the next meeting.</p> <p><b>Resolved: – Student expenditure for period ending 31 July 2017 be approved.</b>  <b>Action – COO to report back on what actions can be taken to improve the aged debt profile.</b></p>
<p><b>8.</b></p>	<p><b>RISK REPORT</b>  <i>Supporting paper, presented by the Chief Operating Officer</i></p> <p>PW asked those present if they had any comments or questions having read the Risk report. No questions were raised. It was noted that there had been no major revisions in the risk register since the previous report.</p> <p>A question was raised regarding General Data Protection Regulation (GDPR) and what action the College was taking. The Director of Human Resources (DHR) advised the committee that an Internal Audit of GDPR requirements had taken place with a number of actions emanating from the audit and that the Director of MIS was leading on GDPR.</p> <p>The Chair thanked the DHR for her update on GDPR and was reassured that the College was making progress on GDPR.</p> <p style="text-align: right;"><b>The Committee received the report</b></p>
<p><b>9.</b></p>	<p><b>RECOMMENDATION OF FINANCIAL STATEMENTS 2016-17</b>  <i>Supporting paper, presented by the Chief Operating Officer</i></p> <p>The COO informed the Committee that the College prepares annual Financial Statements for each year to 31 July, which are submitted to the SFA by the 31 December following the financial year-end. The College’s external auditor, audits the accounts and the Audit Committee considers the resultant audit report and management letter.</p> <p>Within the report are the draft audited Financial Statements for 2016/17. The Committee is responsible for reviewing the Financial Statements prior to review by the Audit Committee and approval by the Full Governing Body.</p> <p>The draft audited Financial statements were reviewed and discussed by the committee, with questions and points of clarification being raised regarding pages: 3, 7,8,10, 11, cash flow, 23, 29, 31 and 34.</p> <p><b>The Chair thanked the COO for the comprehensive report.</b></p> <p style="text-align: center;"><b>RESOLVED: Subject to the further adjustments, and ratification of the Audit Committee, the Annual Report and Financial Statements for 2016/17 be recommended to the Board for approval and signing.</b></p>

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10.	<p><b>10i. ANNUAL REVIEW OF FINANCIAL REGULATIONS AND FINANCIAL POLICIES</b>  <i>Supporting papers for approval, presented by the COO</i></p> <p>The COO informed the Committee that the Financial Regulations set out the College's broad policies relating to Financial control and incorporates the anti-bribery/fraud and corruption policy. The COO advised the Committee that there were a small number of amendments to the previous version which were shown as track changes and included the requirement for an employee's manager to authorise additional payments for work undertaken in a different area, page 16 para 4.2. The COO advised that there had been no changes to any financial authority limits.</p> <p><b>The Committee noted the report.</b></p> <p><b>RESOLVED:</b>  <b>That it be recommended that the Board of Governors approve the revised Financial Regulations.</b></p> <p><b>10.ii ANNUAL REVIEW OF TREASURY MANAGEMENT AND BANKING ARRANGEMENTS 2017</b>  <i>Supporting papers for approval, presented by the COO</i></p> <p>The COO informed the Committee that cash was rigorously monitored and managed to ensure that the College has sufficient funds to meet its requirements. Historically, the College had taken loans with Barclays Bank totalling £15.5m with two covenants that have to be complied with. He advised that due to changes in accounting treatment, the Bank now deem these covenants to be unsuitable and negotiations have been undertaken over the last few months to come to an agreement regarding their replacements. An initial proposal has recently been received from Barclays Bank and considered by the Finance &amp; Resource Committee. This proposal has been rejected by the Finance &amp; Resources Committee on the grounds that these would leave the College in a less favourable position than was the case with the existing covenants. The Bank have been asked to look at an alternative way forward. The Chair thanked the COO for his report and update.</p> <p><b>The Committee received the report.</b></p>
11.	<p><b>HUMAN RESOURCES REPORT AND POLICIES</b>  <i>Supporting papers by the Director of Human Resources</i></p> <p>The DHR advised the committee the two procedures in the report namely Disciplinary and Grievance had been reviewed as part of the College's regular cycle of policy review.</p> <p><b>Disciplinary Procedure:</b> this Procedure was last reviewed in 2015. A number of changes have been made to provide greater clarity. These were highlighted as track changes</p> <p><b>Grievance Procedure:</b> this Procedure was also last reviewed in 2015 and a small number of amendments have been made again highlighted as track changes.</p> <p>The trade unions have been notified of the updated procedures.</p>

Item	<p><b>RESOLVED: that the amended staff Disciplinary and Grievance procedures be approved.</b></p> <p><b>i. Pay award and staff reward options</b>  <i>Oral report</i>  The DHR informed the Committee that the 2017/18 AoC national pay recommendation was for 1% on all salaries or £250 whichever was greater.</p>
12.	<p><b>DATES OF FUTURE MEETINGS</b></p> <p>23 January 2018, 27 February 2018, 24 April 2018 and 12 June 2018.  The chair advised that he would not be able to attend the 27 February meeting.</p>
13.	<p><b>OTHER BUSINESS</b></p> <p>The COO requested that he be allowed to table a letter from the ESFA, this was approved. The COO advised the Committee that a letter had been received from the ESFA confirming the College Health rating for 16/17 as satisfactory and the forecast for 17/18 as Good.</p> <p>The Chair thanked the COO for tabling the letter.</p> <p>The meeting closed at 20.15</p>

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

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

## Actions

Item	Action	By whom	Status
7	COO to report back on actions required to improve the aged debt profile.	COO	
9	Subject to the further adjustments, and ratification of the Audit Committee, the Annual Report and Financial Statements for 2016/17 be recommended to the Board for approval and signing.	Clerk	Complete – tabled Board 6/12/17
10	That it be recommended that the Board of Governors approve the revised Financial Regulations	Clerk	Complete – tabled Board 6/12/17