



**MINUTES**

- PRESENT:** Piers White (Committee Chair)  
Martin Corney  
Frances Wadsworth (Principal/CEO)  
Jackie Wilding  
Varsha Mehta
- CLERK:** Evan Williams
- IN ATTENDANCE** Keith Oxspring - Chief Operating Officer (COO)  
Andy Smith - Deputy Chief Executive (DCE) (part of meeting)  
Jo Bland - Director of Human Resources (DHR)  
Paul Marsden – Director of IT & Estates. (part of meeting)
- APOLOGIES** Gordon Smith (Chair of Governors)  
Trevor Morgan
- QUORUM** The meeting was quorate throughout
- TIMING** 18.05 – 19.55

Item	Detail
<b>1</b>	<p><b>Introductions and Apologies for absence</b></p> <p>Varsha Mehta was welcomed to the meeting as a new member of the Governing body.</p> <p>It was agreed that, to enable contributors to leave after their items, Andy Smith (DCE) and Paul Marsden’s (Director of Estates and IT) items would be taken before other business. The minutes reflect the order of the agenda.</p> <p>Apologies were as listed above</p>
<b>2</b>	<p><b>Declarations of interest</b></p> <p>There were no additional declarations of interests relating to items on the agenda</p>
<b>3</b>	<p><b>Minutes of the meeting held on 13 June 2017</b></p> <p>The Minutes were approved as an accurate record and were signed by the Chair.</p>
<b>4</b>	<p><b>Matters arising from the minutes not already on the agenda</b></p> <p>There were no matters arising from the minutes.</p>
<b>5</b>	<p><b>Estates and Capital Update</b> Supporting paper presented by the Principal/CEO.</p> <p>The Principal informed the committee that Chairs’ Strategy Group had met prior to</p>

	<p>the Finance and Resources meeting to discuss the GVA Options Appraisal and market Assessment report. GVA had been commissioned by the Board, to produce the Options Appraisal report in order to assist with decision making. The Principal/CEO advised the committee that the College had continued to indicate a willingness to work with the Council regarding the College Green site and in particular the development of a new College building.</p> <p>The main discussion points and recommendations from the Chairs' strategy group were that the Croydon College Board wish to retain the option of developing a new College and that selling land without retaining the requirement for the Council to build a new College is currently not a viable option. It was suggested that land swap could take place which would then require valuations to be produced for both Barclay Road and the proposed new College footprint. A robust discussion ensued regarding the demolition of Barclay Road, the footprint, the value of both sites and cost of building.</p> <p style="text-align: right;"><b>The committee noted the update</b></p>
6	<p><b>Health and Safety Annual Report</b>  <i>Supporting paper by the Director of IT and Estates</i></p> <p>The Director of IT and Estates advised that the annual H&amp;S performance report summarises the work that has been undertaken over the previous year by the H&amp;S Committee. The main priorities for the year were reflected in the report and key items summarised below:</p> <p><i>Health &amp; Safety Advisor</i> – a new dedicated part time Health &amp; Safety Advisor post was filled in May 2017 and robust initial priorities were set which are being completed.</p> <p><i>Governors and SMT H&amp;S update</i> – H&amp;S Committee continues to meet termly and sets priorities. Recent priority items have been an update of the H&amp;S Policy, review of any potential cladding on College buildings – no cladding found, continued meetings with the Council and the police regarding H&amp;S considerations relating to the College Green estate, the Fairfield Halls and multi-storey car park hoardings and the impact on College muster points.</p> <p><i>Audit review and inspections</i> – RSM were appointed in December 2016 to carry out an internal audit, and both of the medium term recommendations from the review have been completed.</p> <p><i>H&amp;S Improvements and Activities</i> – a guidance pack has been developed to assist staff further with the completion of H&amp;S risk assessments. The structure and the number of College first aiders has also changed with fewer staff being trained to concentrate more experienced staff on the rota such as the Client Care staff.</p> <p>Other aspects of the report were:</p> <p><i>Building H&amp;S;</i></p> <p><i>Health &amp; Safety Training:</i></p> <p><i>Accident reporting</i> - there was a decrease in the number of incidents over the past year.</p> <p><i>Fire Safety and Emergency Arrangements</i> – average evacuation time remains under 6 minutes.</p> <p><i>Business Continuity</i> – continuing dialogue with the counter terrorism team.</p> <p>The Chair asked members of the Committee if they had any questions:  A question was raised about College lockdown procedures, the Director of IT and Estates informed the committee that this was currently being reviewed. He also</p>

	<p>advised that going forward, car park barriers were planned. The Chair thanked the Director of IT &amp; Estates and in particular the new Health &amp; Safety Advisor for an excellent report.</p> <p style="text-align: right;"><b>The Committee noted the report</b></p>
7.	<p><b>Financial Monitoring and Student Numbers report</b>  <i>Supporting papers presented by the COO and DCE</i></p> <p>i. Financial Monitoring</p> <p>The COO advised the committee that the overall financial performance for the previous 12 months to 31 July 2017 was a deficit of £872K compared to a budgeted deficit of £284K. The overall deficit was an improvement on the overall forecast deficit of £912K.</p> <p>The key reasons for the deterioration in the financial performance against original budgets were higher reorganisation costs due to staff reductions and a shortfall in income against the original budget with key areas being:</p> <ul style="list-style-type: none"> <li>• 19+ level 3 loan income as a result of SFA extending the loan requirement from the 24+ age group to include 19-23 year olds,</li> <li>• 16-18 apprenticeship income, whilst recruitment numbers have increased, employers remain reluctant to recruit from that particular age group</li> <li>• HE income – whilst new student recruitment has held up well, the market remains very challenging.</li> <li>• Demise of Acquire Learning – now in voluntary liquidation.</li> </ul> <p>The COO reminded the Committee that the amount of income generated by partnerships remained below expectations and had resulted in the overall funding achieved via the Adult Education Budget falling below the 97% threshold which is likely to result in an SFA claw back.</p> <p>A discussion ensued regarding the cost of reorganisation, the numbers involved and the effects on staff morale. The DHR advised the Committee that there were fewer than 20 redundancies in total and, where possible, vacant posts or natural wastage had been utilised. The redundancies, the Principal advised, were a matter of regret but were many fewer than in neighbouring Colleges and this had limited the impact on staff morale.</p> <p>The COO advised that the committee that the overall Financial Health rating for the College was anticipated to be ‘satisfactory’.</p> <p>JW enquired about the Capital expenditure costs in schedule five of the report. It was agreed that the COO should report back directly to JW on this specific question.</p> <p>The Chair congratulated the COO and his team for what in the end was a good result with such drop in revenue.  MC left the meeting during this item.</p> <p style="text-align: right;"><b>Action – COO to report to JW regarding capital expenditure costs.</b>  <b>The committee noted the report</b></p> <p>ii. <b>Student numbers report</b></p> <p>The DCE informed the committee that the report was accurate as at 25 September</p>

	<p>2017 and reminded those present that FE students had not reached the point where they had become funded students. He advised, with caution, that the 16-18 cohort was currently standing at 1,495 which was 96 above the target of 1,399. Students need to be in place at the end of October for the College to receive funding. The 19+ adult recruitment figures are also promising with 1,458 registered against a planned figure of 1,232 a total of 226 students above target with recruitment to ESOL and access to HE performing particularly well.</p> <p>The DCE reminded the committee that the HE market was becoming increasingly competitive with more HE places being available than students to fill them. 360 applications had been received compared with 320 approved the previous year. 175 applications have currently been approved. The DCE stated that he would provide a more accurate picture at the next meeting.</p> <p>The DCE advised that apprenticeship recruitment figures were down with 24 apprentices recruited in comparison with 61 for the same time the previous year. This, he advised was endemic across the sector due to the change in funding rules.</p> <p>The Chair invited questions from the committee; questions were raised regarding apprenticeships, local employers the College worked with on apprenticeships and HE provision.</p> <p>The chair thanked both the COO and DCE for their reports.</p> <p style="text-align: right;"><b>The committee noted both reports</b></p>
<p><b>8.</b></p>	<p><b>Human Resources Update</b> <i>Verbal update provided by the Director of Human Resources (DHR)</i></p> <p>The DHR reported on the action from the previous meeting relating to the impact of Brexit on recruitment and staffing at Croydon College. She advised the committee she had analysed the new starters and the leavers in the year prior to the Brexit decision (broadly the academic year 2015/16 as the referendum was in June 2016) and compared them with the new starters and the leavers in the year post the Brexit decision (broadly the academic year 2016/17). She informed the committee that there was no significant difference in the percentage balance between UK/non EU citizens and EU citizens starting / leaving when the two years were compared. From this it could be taken that a relatively small percentage of our staff appeared to be European passport holders and thus the risk of a forced return to Europe in an extreme Brexit situation appeared manageable at this time. However, she advised that HR were continuing to monitor as this could change as the Brexit negotiations developed.</p> <p>The DHR advised the committee that Gatenby Sanderson had been appointed to work with the Board and recruitment panel on the new Principal recruitment.</p> <p>The Chair thanked the DHR for the comprehensive analysis and feedback.</p> <p style="text-align: right;"><b>The Committee noted the report</b></p>
<p><b>9.</b></p>	<p><b>Partnerships Report</b> <i>Supporting Paper presented by the Principal/CEO</i></p> <p>The Principal CEO presented the Partnerships report and advised that the paper provided a status report on the College's partners including sub contracting and that</p>

	<p>the paper identified potential gains and risks in the financial year.</p> <p>The Chair thanked the Principal and DCE for the report.</p> <p style="text-align: right;"><b>The Committee noted the report</b></p>
<b>10.</b>	<p><b>Risk monitoring</b> <i>Supporting paper presented by the COO.</i></p> <p>The COO presented the three risks from the risk register and the relevant risk map that are directly monitored by the Finance and Resources Committee. The Committee noted that the risk register had been reviewed by the Senior Management Team on 12 September and that no changes to impact or probability had been made.</p> <p style="text-align: right;"><b>The Committee noted the report</b></p>
<b>11.</b>	<p><b>Policies for Updating</b> <i>Supply Chain and Fees Policy, presented by the COO</i></p> <p>The COO reminded the committee that the Supply Chain and Fees Policy is renewed on an annual basis and details the College's recommended fees for partnership arrangements. He advised that the changes were minor and were shown as track changes.</p> <p><b>RESOLVED: that it be recommended to the Board of Governors that the revisions to the Supply Chain Charges and Fees Policy be adopted.</b></p>
<b>12.</b>	<p><b>Bank Covenants</b> <i>Paper presented by the COO</i></p> <p>The COO advised the Committee that the College had two bank loans with Barclays Bank. The report detailed the value of each loan, the interest rates payable, the schedule as to when each loan was payable to and the value of the instalments. The loans were subject to covenants which were agreed and accepted at the time the loans were drawn down. However, following changes in accounting standards in 2014, these have now become very hard to monitor. The COO advised the Committee that the Bank has requested that the covenants be updated and that a draft proposal for consideration had been received by the College.</p> <p>The report attached to the paper, prepared by the COO gave details of how the college would have performed against the proposed covenants in 2016/17 with the likely future outcome based on current financial forecasts.</p> <p>A robust and challenging discussion ensued and the following points were made by the Committee:</p> <ul style="list-style-type: none"> <li>• The College is not in breach of our current covenants.</li> <li>• How can the change be enforced?</li> <li>• Realistic covenants need to be set.</li> <li>• The Proposed covenants were thought to be unrealistic and do not allow for any flexibility. Any new covenants ought to provide as much flexibility as the existing ones.</li> <li>• The bank might usefully be reminded we were repaying the loans ahead of schedule.</li> </ul> <p>It was agreed that the COO continue to have open discussions with the Bank.</p>

	<b>Action – COO to continue to discuss covenant options with the Bank and report to the Committee.</b>
<b>10.</b>	<p><b>Review of Terms of Reference for F&amp;R Committee.</b> The ToR for the F&amp;R Committee were presented by the Clerk.</p> <p>The Clerk informed the Committee that the terms of reference need to be reviewed periodically. Following a discussion, and at the suggestion of the Chair, the Clerk review each responsibility detailed in the terms of reference, identify and evidence if the responsibility had been discharged and where appropriate comment. The outcome of this analysis was presented in the paper attached to the report. It was agreed that the terms of reference were fit for purpose and that they next be reviewed in two years.</p> <p><b>RESOLVED: that it should be recommended to the Board at the December meeting the revised Finance and Resources Terms of Reference be approved and that the Terms of reference be reviewed every two years.</b></p>
<b>11.</b>	<p><b>Dates of 2017-18 meetings</b></p> <p>The 2017-18 dates were noted</p>
<b>12.</b>	<p><b>Other business</b></p> <p>It was agreed that an additional item be tabled which related to a letter received from the Local Authority relating to High Needs Learning provision and the requirement for a High Needs Learning Centre within the Borough, rather than having the provision outside of the Borough. The content of the letter was discussed by the Committee. The Chair summarised the discussion and asked that a Business case be developed for the Committee to review should the Executive consider the idea has merit.</p> <p>There were no other urgent items of other business.</p>

Signed (Chair)..... Date .....

Item	Action	Owner	Status
7	COO to report to JW regarding capital expenditure costs.	COO	
12	COO to continue to discuss covenant options with the Bank and report to the Committee.	COO	
13	Recommendation to the Board that the revised Finance and Resources Terms of Reference be approved and that they be reviewed every two years	Clerk	Actioned
June 17 Item 7	HE Tuition Fees - 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	DP	