

FINANCE AND RESOURCES COMMITTEE

1st MAY 2018

MINUTES

PRESENT: Piers White (Committee Chair)
Caireen Mitchell (Principal & CEO)
Varsha Mehta
Gordon Smith
Jackie Wilding
Rosaleen Liard

CLERK: Fiona George

IN ATTENDANCE Keith Oxspring - Chief Operating Officer (COO)
Andy Smith - Deputy Chief Executive (DCE)
Jo Bland – Director of Human Resources (DHR)
Ann-Christine Harland – Vice Principal Finance and
Resources (VP F&R)

APOLOGIES Trevor Morgan

QUORUM The meeting was quorate throughout

TIMING 6.30pm – 8pm

Item	
1.	<p>Welcome and Apologies for absence The Chair welcomed those present to the meeting and thanked Martin Corney for his work on the committee.</p> <p>Apologies were received from Trevor Morgan.</p>
2.	<p>Declaration of interests There were no declarations of interest relating to items on the agenda.</p>
3.	<p>Minutes of the meeting held on 23rd January 2018 The minutes of 23rd January 2018 were approved as an accurate record and were signed by the Chair.</p>
4.	<p>Matters Arising not covered elsewhere on the agenda Items 5 and 6 have been completed. Item 10 - VP F&R to refresh and bring to the next Committee a document outlining compliance with legislative requirement on the College will be completed by the end of the calendar year. This action was carried to the next meeting.</p>
5.	<p>Financial Monitoring and Student Numbers Report</p> <p>I. March 2018 Management Accounts A Financial Monitoring Report had been circulated with the papers and was presented by the COO.</p> <p>The overall performance in the 8 month period to 31st March 2018 is a deficit of £239k. The cash flow forecast figures assume Barclay Road is sold in May but this has not yet been finalised.</p> <p>There was a brief discussion on the contribution analysis report and queries</p>

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	<p>raised regarding what the Executive/Corporation included. It was noted partnerships are shown separately.</p> <p>The £100k budget for reorganisation includes redundancy and related legal costs. The forecast spend of £45k does not include any additional major reorganisation costs. Governors questioned how much of the £100k budget will be used next year if further staff savings are required. The DHR reported numbers were not yet available for this to be able to provide an accurate estimate.</p> <p>II. Student Numbers report – this item was moved up the agenda to allow the DCE to leave after his report but is minuted in the order of the agenda.</p> <p>Supporting papers were presented by the DCE and noted by the committee.</p> <p><i>16-18</i></p> <p>It was noted the target for 16-18 of 1399 for 2017/18 will not be achieved. It was expected that the Partnership with Palace for Life would increase recruitment, however, the students involved have mainly transferred from College courses who were at risk of withdrawal.</p> <p>The allocation for 2018/19 is 1467 students which includes students aged 19 but who were 18 in their first year of study. The increase in funding in 2018/19 is due largely to an increase in high needs learners, from 39 to 60, increasing income year on year by £126k. The College will receive additional funding of £114k in 2018/19 from Capacity and Delivery funding in preparation for technical qualifications. The Budget 2018/19 paper (Agenda item 6) highlights that the latest 2018/19 Curriculum Plan anticipates delivery to over 1500 students.</p> <p><i>Higher Education</i></p> <p>There was a discussion around the decision not to run any of the School of Art programmes. This will save 1000 hours, although there will be costs associated with assisting level 5 students moving to other universities in terms of additional fees, travel and subsistence. The space occupied by the School of Art could be used for other purposes. These costs are included in the budget.</p> <p>The Tuition Fees as recommended in the Policy for 2018/19 (agenda item 9) was discussed. The proposal is to charge the same as last year. Governors queried if the fees had been benchmarked and it was noted most other colleges charge £6000 however HEs charge between £9000 and £9500. There is no evidence available to suggest a £6000 course is more attractive than a £9000 course.</p> <p>The OFFA Fair Access Agreement has been incorporated in registration, therefore any increases would not be possible until 2019/2020, and would be included in that year's Fair Access Agreement.</p> <p>The P&CEO commented that the HE market is precarious and her preference would be not to change fees until our positioning has been considered in more detail. There is a need to look at what sectors the College targets.</p>

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	<p><i>Apprenticeships</i> A new Head of Apprenticeships has been appointed, Livia Szekelyhidi who will have a view on what sectors the College targets to grow our offering.</p> <p>Croydon University Hospital (CUH) has appointed the College as its prime provider and recruitment of CUH apprentices will start this year.</p> <p>Thanks went to DCE for his report. The DCE left the meeting.</p>
6.	<p>Budget Preparation</p> <p>The draft budget was circulated and presented by the COO. It was noted this is the first draft of the budget and is provided for information only, not for approval.</p> <p>The draft budget shows a surplus of £194k; in terms of the curriculum plan this still requires some interrogation in terms of pay costs.</p> <p>Apprenticeships and HE grant income has significantly reduced due to changes in funding methodologies, in line with the sector. The 2018/19 Apprenticeship numbers and therefore levy fee / non- levy income and pay costs are not yet finalised, so only modest increases compared to the 2017/18 forecast are included.</p> <p>Pay costs include teachers' pension assumed contribution rate and the LGPS known contribution rate. The pension deficit payment has increased in line with that agreed for 2018/19 with the LGPS. Sessional costs include a £400k estimate and needs further interrogation. The 65.5% pay to income ratio was considered good compared to recent figures.</p> <p>Partnership costs are down as it is assumed the College will deliver more internally on the Adult Education Budget than last year.</p> <p>In the context of a possible merger, it was confirmed Coulsdon will produce their own figures but from 1st October/1st September when the merger occurs there would be a merged forecast for the Transactions Unit to review.</p> <p>The COO and DHR has met with Croydon Pensions (LGPS) to discuss the pensions implications of a merger with Coulsdon and what might be any resultant pensions options. .</p>
7.	<p>Property Report</p> <p>A confidential property report was circulated with the papers and this item is minuted separately under Confidential Minutes.</p>
8.	<p>HR Update</p> <p>An Equality and Diversity Annual report on staffing profile of the College (2016/17) and Gender Pay Gap Report was circulated.</p> <p>DHR presented the reported. There were two points to note.</p> <ol style="list-style-type: none"> 1. The profile by gender shows 56.6% of women in management positions which was attributed to the restructure when layers of management were removed which had the unfortunate consequence of changing the balance. This needs to be kept under review.

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	<p>2. The staff turnover table shows the voluntary turnover has increased to 23.4% with 44.5% total staff turnover. This is not unusual but needs to be kept under review.</p> <p>Governors queried whether there was anything in the exit interviews which would explain this. DHR commented 20 staff members had been identified as leaving due to events in their personal lives. The College is very flexible with its working pattern so it was not thought this would be a cause. There is a low take up of exit interviews.</p> <p>The gender pay gap reported of 9% is about average if compared to other companies. There was a short discussion on the importance of recruiting the right person to the job but also ensuring opportunities for all.</p> <p>Governors asked about workforce turnover and whether the College has sufficient tools in place to encourage staff engagement or feedback during the year. DHR responded that there are a range of mechanisms in place including joint liaison groups, 1:1 meetings and appraisals and survey monkey questionnaires but this is kept under review.</p> <p>The P&CEO commented there was a good staff turnout at her first staff meeting which was held at 8.30am. The College needs to ensure staff are part of the College's growth.</p> <p>Governors queried the total number of employees. DHR responded that there are 245 FTE staff but a headcount of around 350.</p>
<p>9.</p>	<p>Policies for Review – Fees policy 2018/10 The Fees Policy was circulated with the meeting papers.</p> <p>The Fees Policy regarding HE was discussed in item 5ii above, however additionally it was suggested if there are no bursaries to delete this column completely.</p> <p>Item 5.5 links to apprenticeships funding rules, VP F&R will be updating this.</p> <p>Action: VP F&R to update link to apprenticeships funding rules</p>
<p>10.</p>	<p>Risk Monitoring The Risk Management Register was circulated with the meeting papers.</p> <p>COO reported that the Risk Register was reviewed at the Executive meeting last week and there were one or two changes following the RSM internal audit and now include a completion date and person responsible. An overall risk policy will be presented to the Audit Committee at their next meeting.</p> <p>It was commented that recent merger discussions highlighted gaps in our current strategy and the need for a refresh under new leadership. Tackling opportunities in HE and Apprenticeships were examples that had been raised during the meeting.</p> <p>Action: An overall risk policy to be presented to the Audit Committee at the next meeting</p>

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11. Dates of Future Meetings 12 th June 2018	
12. Other Business	<p>The Chair informed the Board that going forward he had asked the Clerk to send draft minutes to the Principal, Executive lead and Committee Chair for them to review and respond within 2-3 days. The minutes will then be circulated to all committee members.</p> <p>Thanks were expressed to the COO on his final meeting for putting finance at the heart of the College and for his contribution to the strategic opportunities of the College.</p> <p>Resolved: The bank mandate for Barclays to remove Frances Wadsworth and Keith Oxspring and add Ann-Christine Harland and Cairen Mitchell was approved.</p>

Signed _____ (Chair)

Date: _____

Actions

Item	Action	By whom	Status
4.	VP F&R to refresh and bring to the next Committee a document outlining compliance with legislative requirement on the College will be completed by the end of the calendar year.	VP F&R	
9.	VP F&R to update link to apprenticeships funding rules	VP F&R	
10.	An overall risk policy to be presented to the Audit Committee at the next meeting	VP F&R	