

THE CORPORATION OF EAST SURREY COLLEGE

FINANCE AND RESOURCES COMMITTEE

MEETING HELD ON THURSDAY 7 MARCH 2024 VIA MICROSOFT TEAMS

Meeting commenced: 12.00

Meeting ended: 13.20

Present

Phillip Kerle	Independent Member	Chair
Bob Pickles	Independent Member	
Hazel Beveridge	Independent Member	
Lindsay Pamphilon	Chief Executive & Principal	

Apologies for absence

Simon Bland	Independent Member
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In attendance

Eva Dixon	Chief Operating Officer
Rebecca Taylor	Vice Principal Curriculum & Standards
Paul Mays	Premises Manager (item 11 only)

Clerk to the Committee

Sue Glover	Director of Governance
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FRC.01.24 Declaration of Interests

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

Phillip Kerle declared that he is a governor of West London College.

There were no other declarations of interest.

FRC.02.24 Apologies for Absence

Apologies for absence were received from

- Simon Bland - personal commitments

The Finance and Resources Committee accepts the apologies for absence.

FRC.03.24 Notification of Any Other Business

Members agreed that there was no other business to be considered.

FRC.04.24 Unconfirmed Minutes of the meeting of the Finance and Resources Committee held on 23 November 2023

The minutes of the meeting were approved and signed as a correct record.

FRC.05.24 Matters Arising and Action Points from the Minutes of the meeting
Members reviewed the action points arising from the meeting, noting that the Business Continuity Plan is deferred to the next meeting and will remain on the schedule until completed. It was agreed that all actions had been addressed to the satisfaction of the Committee and that there were no other matters arising from the minutes of the meeting.

FRC.06.24 Risk Management Spring Term 2024
The Chief Operating Officer presented, for consideration and approval, a report, which provided an update on the assessments and actions for the following risks assigned to the Committee:

- **Risk FR1 – Failure to maintain at least ‘Good’ financial health – ‘Significant’ risk, no change**
- **Risk FR2 – Breaches of Legislation or Contract Obligations that the College Group needs to comply with – ‘Minor’ risk, no change**
- **Risk FR3 – Inability to attract/retain and develop staff with the right mix of skills – ‘Fundamental’ risk, no change**

Members considered the detail of each of the risks, noting those contributing risks that remain ‘red’, in particular the risk relating to student recruitment indicating the College has not met its 16-18 allocation. Although the learner numbers for study programmes was exceeded the targets for T Levels was not achieved and there has been an in-year clawback of funding as a result. The WEA subcontract has been terminated due to quality concerns and recruitment of adult learners in all areas is below target. In response to questions, members were advised that a number of mitigating actions are being applied, which include new partnerships and engagement with local schools and communities on other income streams.

The risk relating to staff recruitment remains high as this remains a sector wide/global issue.

Members commented on whether deferring a review of the business continuity plan would have any impact on business disruption and were advised that planned changes relate to the updating of title changes does not affect the operation of the plan currently in place.

The Committee agreed that the proposed amendments to the register were appropriate and there were no further changes required.

Members noted the key impact measures arising from the report, in particular the strategic implications.

Resolved

The Finance and Resources Committee approves the Risk Register: Spring Term 2024 relative to its risk assignments and commends the report for approval by the Corporation Board

FRC.07.24 Capital Budget for 2024/25

The Chief Operating Officer presented for consideration and approval the capital expenditure request for 2024/25.

The Committee was advised that

- the capital expenditure request has previously formed part of the overall budget and considered at the summer term meeting
- there have previously been delays as a result of supply chain issues and difficulty in getting suppliers resulting in multiple Chair's action being taken outside of scheduled meetings
- to alleviate this, and as agreed the previous year, it is proposed that approvals for the 2024/25 capital expenditure are brought to the spring term meeting to allow time for procurement activities and planning to take place
- the total request for 2024/25 capital expenditure is £349,800

Members considered the following capital expenditure projects presented:

- Cisco Switches - £100k
- Hammocks and Tarps build order - £1.2k
- Painting Sports Hall at ESC and JRC refresh - £10k
- iPads for college activities - £15k
- replace outdated Veeam backup server - £6.6k
- replace JRC scan - £22k
- laptops for staff - £100k
- replace furniture and outdated equipment at college - £50k
- other capital requests - £50k

The Committee was advised that whilst the 'other capital requests' is for £50k, a further £50k is requested to consider additional bids as and when these are submitted.

In discussion, members agreed that, whilst it was appreciated there needed to be some flexibility in order to facilitate the timely submission of bids, there should be a limit set in order to avoid any one transaction exceeding a certain amount. It was agreed this should be set at £10k per transaction and should this be exceeded and was within the overall ceiling of £50k, Chair's Action could be taken for the higher amount.

Members were advised that each capital bid is made on the basis that an amount of money is awarded to the college for each bid made. There would also be a corresponding signed contract that confirms the amount given. On this basis, members agreed to the additional £50k.

However, the Committee requested that a schedule of capital bids should be set out, clearly indicating monies received against each bid together with signed contracts. This schedule should be presented to each meeting of the Committee to monitor the extent of the capital bids made. Members were informed that capital bids would be available for the duration of the LSIPs, ie. 2 year period and it was agreed that the schedule would be in existence for this duration. There would be an overall cap of £250k for each bid.

Resolved

The Finance and Resources Committee approves and recommends to the Corporation Board for approval the Capital Expenditure for 2024/25, subject to there being limits in place and a schedule as discussed

FRC.08.24 College Policies

The Director of Governance advised that the Equality Policy for Staff and Students is presented again following further review by the Learning and Quality Committee who had asked that the policy be expanded to include the benefits of diversity.

The Learning and Quality Committee had agreed to the revisions proposed and further agreed that, as this policy covered both staff and students and thus required to be considered by this committee from the student perspective and the Finance and Resources Committee from the staff perspective, to avoid a lengthy process going forward of being reviewed by two committees this policy is presented with the Annual Equality & Diversity report when it is considered directly by the Corporation Board in the autumn term. Members agreed with this approach taken by the Learning and Quality Committee.

The Chief Executive presented on behalf of the Director of People & Culture, the Disclosure and Barring Service Check Policy.

Members were advised this had been updated with title and legislative changes.

The Chief Operating Officer presented the following policies for approval:

- Treasury Management
- Health & Safety Policy

Members were advised that the Treasury Management Policy had been updated with title changes. The Health & Safety Policy, whilst this was approved at the last meeting, has been more overtly updated around roles and responsibilities and health & safety practices.

The Committee reviewed the amendments proposed and agreed these were appropriate and there were no further changes required.

Resolved

The Finance and Resources Committee approves and recommends to the Corporation Board for approval the following policies

- Equality Policy for Staff and Students
- Disclosure & Barring Service Check Policy
- Treasury Management Policy
- Health & Safety Policy

Paul Mays joined the meeting

FRC.09.24 Estates update: Spring term 2024

The Premises Manager gave a presentation to update members on the extent of the facilities works undertaken at both colleges, which included

- Staff room at JRC
- Server lights at GPN
- Immersive room at JRC
- Repairs and refresh at both sites

The Committee thanked the Premises Manager for a very informative update and the work undertaken to keep each of the colleges in good condition.

Paul Mays left the meeting

FRC.10.24 Human Resources Report: Autumn Term 2024

On behalf of the Director of People & Culture, the Chief Executive presented a report to update on the People Team activity at both colleges in the autumn term 2024.

Members were advised that the HR team has been rebranded as the People Team, which is more focused on culture and employee engagement.

Members considered the detail of, and discussed issues arising from the report, in particular the key points

- Turnover
 - Although currently remains high, this is in part due a reduction in headcount and an increase in the use of agency labour, which is higher than expected
- Recruitment
 - In December, there were over 40 vacancies, the majority of roles within the construction and engineering areas
- Staff Survey
 - steps have been taken to implement the comments made in the staff survey carried out in the summer
- Management Development – a programme of management training has commenced with leadership & management projects

In discussion, members commented on the use of agency labour and were advised that the college will be working towards the use of a preferred provider with agreed fees.

Agreed

The Finance and Resources Committee receives and notes the People Team Report: Spring Term 2024.

FRC.11.24 Financial Reporting

The Chief Operating Officer presented, for consideration, a report detailing

- Consolidated Management Accounts for Orbital South Colleges to 31 December 2023
- KPI Dashboard for finance

Members considered the detail of the accounts, noting:

- YTD operating position is a surplus of £487k against a budgeted surplus of £128k, giving a positive variance of £358k
- The full year operating surplus of £37k, a deterioration of £7k against the budgeted full year surplus of £45k
- College cash balance at month end was £12.8m. The forecast for year to date indicates a negative variance of (£87k) arising from the decrease in Advanced Learner Loans, HE Fees and other Tuition Fees
- the College continues to meet its bank covenants
- the College is anticipated to maintain at least 'good' financial health

Members discussed the issues raised and, in response to questions, were advised that

- The College has not met its 16-18 funding numbers, however there was an over recruitment of the non-T level learners offset by an under recruitment of T levels learners
- The college is currently below target for its adult allocation and apprenticeship income budget and there is an in-year clawback of £185k as a result of the under recruitment of the T levels learners
- The January 2024 management accounts would shortly be available which will give a more up to date position

KPI Dashboard

Members reviewed the KPI Dashboard at December 2023 for Actual against Budget and Actual against the same period for the prior year for

- Tuition Fees
- Employer Engagement Income
- Additional Contract Income
- Staff FTEs
- Staff costs as a percentage of total income
- Cash balance at month end
- Supplier invoice payment days
- 12 month rolling cashflow forecast

Agreed

The Finance and Resources Committee agreed to receive and note the Consolidated Management Accounts to 31 December 2023 for Orbital South Colleges and the KPI Dashboard for Finance

FRC.12.24 Health and Safety Report: Spring Term 2024

The Chief Operating Officer presented, for information, a report, which provided an update on Health and Safety matters for both Colleges.

Members noted the key issues in the Health and Safety report

- the College Joint Health and Safety Committee met on 7 February 2024
- 5 policies and procedures reviewed in term with no significant changes
- There will be a deep dive of the College's health and safety arrangements to establish if there are any gaps and develop mitigating actions to close them
- workshop inspections where a number of issues were identified and action taken to resolve
- accident statistics for Orbital College Group for year to date
- there have been no RIDDOR reportable accidents during the period

In discussion, the Committee suggested that it would be helpful if there could be some benchmarking of accidents made available in subsequent reports.

The Committee noted the key impact measures arising from the report.

Agreed

The Finance and Resources Committee receives and notes the Health and Safety Report: Spring Term 2024

FRC.13.24 Any other business

There was no other business.

FRC.14.24 Schedule of meetings: 2023/24

Thursday 20 June 2024

All meetings commence at 4pm

At the conclusion of the Part 1 meeting, members moved into a meeting restricted, in accordance with the requirements of the Instrument and Articles of Government and with Section 22 of the Freedom of Information Act 2000, to the members of the Corporation and to senior members of staff of the College.

SIGNED AS A CORRECT RECORD:

DATE: 20 June 2024

A handwritten signature in blue ink, appearing to read 'Dempster', is written over the signature line.