FINANCE & GENERAL PURPOSES COMMITTEE MEETING MINUTES PART 1
Date: Tuesday 6 October 2020
Venue: Online and Poplar Board Room
Time: 5.30 pm.

Chair	Stephen Critoph
Corporation Members	Gerry McDonald; Marilyn Hawkins, Richard Bint, Rob Hull, Lutfey Siddiqi
Officers	Suri Araniyasundaran – Deputy CEO Jamie Stroud – Finance Director
Director of Governance	Elsa Wright
In attendance	Peter Armah, Group HR Director – items 10 and11 Jamie Stevenson, Group Director of Apprenticeships – item 9

Item No	Item of business
1.	**Chair's welcome & opening remarks** The Chair thanked everyone for attending.
2.	**Apologies for absence** All members were present.
3.	**Declaration of interests** None recorded.
4.	**Minutes of the meeting of 18 June 2020** **AGREED: The Finance and General Purposes committee agreed that the minutes of its meeting on 18 June were a true and accurate record of the meeting.**
5.	**Matters Arising** The actions had been taken forward. The Deputy CEO confirmed that the Health and Safety Manager would attend the next meeting to present the annual report.
STRATEGIC MATTERS for discussion, decision or action	
6	**Finance Outturn** The paper gave an early indication which overall was more favourable than had been predicted and was now estimated at £1.1 million after taking account of depreciation of the Havering assets on transfer and applying the NCC group depreciation. Pay was marginally higher at 0.33% above budget (£200,000), the pension adjustments were still pending. Non pay costs were £0.5m favourable with final figures to be available around 19 October. The outturn would be shared with the papers for the 1 December meeting. In response to questions, the Deputy CEO confirmed that demand led income would be finalised in the next two weeks. Profit on the sale of the land related to the Epping land sale, which would contribute and offset restructuring costs and merger costs, within the exceptional items. Governors asked about the treatment of depreciation and the Deputy CEO confirmed that this was a straight, fair adjustment with the rules being applied in the same way as set out at merger. The Havering Colleges had used a 30 year model and NCC used a 50 year model and this adjustment had been accepted by the external auditors. The audit would begin the following week.
7	**Learner Numbers and Budget Update 20/21** 16-18 enrolment was positive with recruitment as good as the college could have hoped for. Individual campus recruitment was around target with some variation but overall the college

	was ahead of its internal target of 9643. Funding was for 9354 places and there might be some additional funding if recruitment was 200 or more above the target. The students had to reach the 42 day cut off if they were to be counted for full funding. The date for most students was just before half term although late enrolments would only count once the individual student reached 42 days. The table on p17 would be updated and circulated to all committee members. Governors asked whether the variance from target related to the internal target. The CEO confirmed that this was the case and that he was confident that R04 was secure. The figures would be updated for the November Corporation meeting. It was possible that up to 50% of funding would be received in year for the additional enrolments for this year only. The College was confident that the numbers were robust, students were withdrawn quickly and attendance was up to date. Adult recruitment started on 21 September and had continued up to the previous week. Overall, numbers were approximately 300 behind last year and with recruitment taking place termly, the college was confident that it would make these numbers up. Some courses, such as Digital Learning, could have monthly starts and a more up to date picture would be reported to the Corporation. The GLA had confirmed 90% tolerance for 2019/20, but the ESFA were still reporting 97% tolerance. The figures for 14-16 and HE recruitment would be reported to the Committee in December. Subcontracting provision would continue as planned with existing providers and in response to questions, the Deputy CEO confirmed that the higher contribution rate was claimed where the College was involved in providing greater support to the sub-contractors. The College received £3.6 million from the ESFA for capital Estate projects to improve the conditions of the buildings with spend to be completed by 31 March 2021. Governors asked about the shortfall in income and what the worse case could look like if adult recruitment did not improve. The Deputy CEO explained that it was too early to estimate this as there could be a further impact, particularly on AEB, if there was another lockdown, and the tolerance level for AEB was set at 90% by the GLA. In addition, apprenticeships were demand led and it was critical to have starts throughout the year. There was an expectation for a shortfall in tuition fees at this point in the year but this will need to be reviewed later in the year. Governors asked whether the College could compensate for a lack of income through decreased costs. There were some areas that were more flexible, including the use of hourly paid lecturers, and all budgets were on essential spend only until March 2021. It was very early to forecast at this point, but planning was on a breakeven assumption. Further detail would be reported at the December meeting. Governors commented on the low level of apprenticeship starts in comparison to other colleges. This had been an area of focus and the work was now delivered internally rather than through subcontracting. Jamie Stevenson had built a strong team and income was improving. Growth was a focus but starts were not as high as expected. It would be important to respond to Government plans as well as employer leads and demand in the local area. Governors asked about the £1.3m tuition fund to support those learners who had not achieved at GCSE. The Deputy CEO confirmed that about £900k would be allocated and spent on teaching costs for groups of 3-5 learners with immediate effect, to enable them to gain the skills they needed to cope with their main qualification. The allocation would be audited by the EFSA. **ACTION – revised Learner numbers to be circulated to the Committee and an update to be given at Corporation**
8	**Capital Indicative Budget** **8.1 Capital Projects** The Paper gave a detailed update on projects that had been agreed for completion over the Summer with some continuing to be completed by 31 March. A number of these projects would be funded from the ESFA Capital allocation. The College had moved out of Quarles, relocating SEND provision to Wingletye Lane. Construction and Engineering had moved to the refurbished Rainham building, although there had been a small delay due to flooding. Construction of the CISIC site continued with a small delay, but it was due to complete by March 2021.

	The land sale had fallen through as the bidder had offered a reduced price on less favourable terms. The College was now taking a fresh look at the Havering campuses and would come back with revised proposals to the Property Committee. There was the opportunity to redevelop the front of the site and to apply to the GLA for additional funding. The sale of land to a care home provider was due to complete shortly. Governors discussed the development that was continuing in the Rainham area, which contained both housing and industrial buildings. Potentially, there would be an increased 16-18 market with new people moving into the area. There was some breathing space to look at the master plan without any impact on cashflow at this point. **Action: Revised master plan to be developed**
9	**Subcontracting update** Jamie Stevenson, Group Director of Apprenticeships & Business Development, joined the meeting and presented his report There had been no negative impact on achievement or income from Covid-19. 16-18 year old outcomes were similar to the prior year. For adults, the College had delivered positive outcomes and had spent £400k of the £500k from the GLA. The College continued to work with the same providers for 16-18 in 2021 and all due diligence had been completed with contracts signed. Enrolments for AEB were with the same partners after the retendering in the previous year. Funding was released in 2 phases. Governors asked about the success rates of Access to Music and the College confirmed that the rates were in line with other Colleges. In comparison, the OJCS outcomes were very high. The recent Audit of provision had given the College significant assurance. Governors asked whether this was an area which the College would look to expand incrementally or to use specialist subcontractors. Jamie Stevenson confirmed that the College took a cautious approach and not more than 10% of the allocation was subcontracted. This was an area that could go wrong and it was important that the provision was of high quality and this was looked at in detail by the C,Q&S committee. The Chair thanked Jamie Stevenson for his report and he left the meeting at 6.26pm
10	**Annual Workforce Report** Peter Armah, Group HR Director, joined the meeting. The report gave a detailed breakdown of the workforce across the whole Group, including gender and ethnicity. Sector norms had been used for comparison where they were available. There were 1600 permanent staff with 144 hourly paid employees. The breakdown was 46% support, 42% teaching staff and 12% managers. The sector norm was for slightly more teaching staff than support staff, however, at NCC all managers with a teaching qualification taught some lessons. The age profile was in line with the sector, with support staff around 5 years younger than teachers and managers. In response to questions, the Group HR Director explained that a number of support staff, particularly in ALS, had pastoral teaching roles. The College's approach was to recruit young people and develop them, which might account for the younger profile of support staff. Many of the vocational teachers were recruited mid-career and brought relevant industrial experience into the College which had an impact on the age profile. There was also a programme to ensure staff went out into industry to update their skills as part of their CPD. The report looked at employees by ethnicity where this had been disclosed, with the largest group being white, followed by Asian and then black staff. Hackney, Tower and Redbridge were the most diverse campuses. There were around 4% more female staff than the sector norm with more details set out on p6 of the report. Staff were encouraged to disclose disabilities to ensure they were supported and any necessary adjustments made to help them fulfil their role. The report included and analysis of starters and leavers. Turnover at 19% was slightly below the London average of 21%. Turnover was slightly higher amongst support staff and for lecturers it stood at 17%. Governors asked about the cost of turnover and whether there was a target to improve it. The Group HR Director confirmed that they had tried to use exit interviews in the past, but people did not want to take part. Sickness had fallen to 3.4%, although this was potentially masked by people working from home during the latter part of the year. The report included details on disciplinary cases and ongoing employment cases. Pay was around £800 above the sector average. The College

	was one of the best paid in the sector with higher pay scales than most other colleges. Gender pay gap had risen to 10.96% which was slightly higher than the sector norm. The rise was due to the impact of merging with colleges with no incremental pay spines. There was still further alignment to take place across the Group with a number of staff at Havering still on legacy contracts. There would be a further discussion with staff the following day about Black Lives Matter and this would help to inform the College's strategy moving forward. The College was working with both staff and student groups across the organisation and would continue to look critically at the curriculum as part of the planned curriculum review. A new objective would be included in the Equality and Diversity Action Plan, which was reported regularly to SMT and Governors. Governors asked about the training for those who sat on appointment and promotion boards, and whether specific 'unconscious bias' training was available. Training was available for staff, but this was an area that would be addressed as part of the action plan. Governors agreed that the report offered a snapshot of where the College was, but that it was important to agree what the strategy was and what the direction of travel should be. There were variations across the campuses, but also in the demographic of the local communities the College served. The College had a relatively diverse SMT in terms of gender and ethnicity and it was important for the Corporation to better reflect the community it served. The Board was keen to encourage people to come forward and feel confident to join the Board and it was looking at ways in which it could do this. There was a discussion about diversity in curriculum management and whether this mirrored the student body at the different campuses. The College was reaching a transition period and it was important to understand the lived experience of those who worked and studied in the College to ensure the organisation continued to develop and improve. The development of matrix management across the Group and the movement of managers around the campuses helped to raise the visibility of staff. C,Q&S were also looking at student achievement rates to ensure that there was no adverse impact on any ethnic group. The Chair thanked Peter Armah for his report.
11	**Industrial Relations update** The CEO explained that there had been a number of meetings with Union representatives and that work continued with some individual members of staff to ensure that risks were minimised. There had been 23 student Covid cases and 4 staff with almost no-one unwell and many asymptomatic which, given the size of the organisation, was very positive. Individual cases did have a significant impact with one case impacting on 78 students and 6 staff members. Courses had been switched to blended learning, where required, and staff and students had been surveyed to measure the effectiveness of this approach. Social distancing was not being employed in common areas, but masks were compulsory and screens were being used. Security staff were reminding students about using hand sanitiser and wearing masks correctly. The majority of staff wanted to be on campus and some had found that blended learning made it more difficult to deal with student behaviour. The Chair of the Corporation thanked the Management Team for their impressive response to the situation.
12	**Health and Safety Termly Report** The report covered the previous term when the College was in lockdown and the focus had been on the partial reopening from the 15 June. Risk assessments had been developed and Deputy Principals had completed site walks with Union reps. The Annual Report would come to the December meeting. There had been 3 near misses which were covered in the Report. An incident at Rainham relating to the scrap yard next door had been reported to the HSE and there would be a further meeting between the company and the Health & Safety Manager the following day. High level netting was due to be installed. There had been an incident in September when a student had been chased into the College. Security and Estates team had acted quickly to avoid a serious incident and the police had made arrests in relation to the case. SMT were reviewing a full report and it was likely that barriers would be installed at both Poplar and Arbour Square. The Chair of the Corporation

	commended the swift action of the Security Team. There would be a further update in the Annual Report at the 1 December meeting.
13	**Any Other Business** There were no items to report.
14	**Date of next meeting** The meeting would take place on 1 December 2020. The Chair thanked everyone for their input. **The meeting closed at 7.20pm**

Signed:

Dated: