

Chair	Stephen Critoph
Corporation Members	Gerry McDonald; Marilyn Hawkins, Rob Hull
Officers	Suri Araniyasundaran: Deputy CEO Jamie Stroud: Group Director of Finance Peter Armah: Group Executive Director of Human Resources
Director of Governance	Elsa Wright
In attendance	Jamie Stevenson: Group Executive Director Apprenticeships & Business Development

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 5 December 2020 The Finance and General Purposes committee agreed that the minutes of its meetings on 18 November and 25 November were accurate. Governors asked whether the Ilford lease had been finalised. The Deputy CEO explained that the contracts were due to be signed the following week and that there were no changes to the heads of terms. There would be a full report to the Property committee the following week.
5.	Matters Arising and Action Plan The actions had been completed with two ongoing items.
STRATEGIC MATTERS for discussion, decision or action	
6	HR termly Report The Group Executive Director of Human Resources introduced his report which gave an updated position on the previous term. The report covered progress on Black Lives Matter and the changes to the Equality and Diversity steering group which would now reference inclusion in its title. The report gave a breakdown of ethnicity and gender in recruitment and there was additional context with both student and the local population data included. The HR team continued to ask staff to update their personal data in iTrent which included ethnicity, but this could only be encouraged. There was a discussion about the use of market supplements in hard to fill roles. Governors commented that the recruitment data was encouraging. The aim was to have a more balanced workforce and there were signs that this was happening. Governors asked about turnover. It was relatively low but there were increasing pressures on recruitment and retention with limited levers. It had been concentrated in a few areas but it was now more widespread. Applicants for support roles were keen to work from home. The College made it clear that this was a front-line service and support was needed face to face with students. The College had launched some hybrid working guidelines which offered up to 1 day at home for support staff and half a day for curriculum staff and this would be reviewed in the

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summer. Governors commented on the decrease in the drop off of female applicants between application and interview since the last report which was positive. This was an area that the Group Executive Director for Human Resources had looked at and would continue to monitor.

In response to questions, it was confirmed that the sickness rate had increased this year, in part due to the fact that fewer people had not called in sick when they were working from home during the lockdowns and so the rate had risen when staff were back on site. There had been a small decrease in the number of teachers which was shown on p3 and both Ardleigh Green and Rainham had seen a drop in numbers with vacancies being hard to fill. There were seven critical vacancies at Rainham. The decrease at Hackney were volume related with less provision in some curriculum areas.

Training on addressing unconscious bias in recruitment was being rolled out across the group with events running on staff development days. Governors asked about training and it would set a good example if those involved in recruiting Board members were trained. The Group Executive Director of Human Resources would look for a suitable course or trainer.

ACTION - Group Executive Director of Human Resources to look for a suitable course

Governors asked whether there was the option to self-identify in recruitment. This was an option and the use of pronouns on email signatures had been discussed by the EDI group and would be implemented shortly.

The data on ethnicity for both students and staff was helpful. The data on communities added another dimension although it was noted that each borough used a different grouping and was therefore not directly comparable with NCC data. There was discussion about what the aim was and whether the focus was diversity or representation. The College wanted the staff to be more reflective of the student population. The student profile at Havering was very different and it was important for students to see role models and positions that they could aspire to, and the College was working to increase the number of staff from a BAME background at the Havering campuses.

The pressure on pay was enormous and normally there were around 180 vacancies over the course of the year. There was much more movement amongst support staff than teaching staff. The schoolteachers' pay award was 3 % in 2022-23 and 2% the following year. It was noted that there was a pay differential between sectors and Epping schoolteachers were paid more than the College paid lecturers in Tower Hamlets. Schools did not have to pay the national insurance surcharge. Governors asked whether the London teacher market was buoyant. The College was 5-10% adrift with schoolteacher pay although some specialist teaching was not offered in schools. For roles in areas such as IT and Estates, there were no limits.

Governors thanked the Group Executive Director of Human Resources for his report and he left the meeting.

7 Subcontracting

The Group Executive Director for Apprenticeships & Business Development joined the meeting. His report set out the performance of subcontracted and partnership activity for 2021/22 for 16-18 and AEB subcontracting

The contract for 16-18 year olds was mainly with the Orthodox Jewish community schools. They had been inspected during the recent OFSTED visit and had been well supported. Governors asked about the small dip in outcomes at the Beth Jacob Seminary. This would be checked but it was related to a course which could not be delivered during the lockdown. Partners had all over recruited except Access to Music.

AEB subcontracting was for £1.5m with £1m already generated with good progress against target. There was a split in the contracts between devolved and non-devolved funding with the GLA portion performing strongly. Partners had been asked to profile spend for the rest of

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the year. P7 data was due that week and there may be some reallocation between the partners. Allocations between the partners were of a maximum of 25% of the full contract value with most at 10%. ESFA spend was slightly over this limit and there were plans in place from next year to reduce this.

NGTC had received a Grade 4 OFSTED inspection for its direct provision. They delivered SIA security licences and the College would terminate the contract with only existing learners continuing to finish. Governors asked whether internal QA had picked up any issues. The contract was renewed each year and the monitoring visit did not pick up as the College looked at AEB and not their apprenticeship provision. There were no warning signs. Governors asked the team to look at the report and reflect if there were any issues which should have been picked up and to report this back to CQ&S committee.

Dynamis delivered security programmes with the learner recruitment by the College and training delivery by Dynamis staff. The programmes had run successfully for a number of years.

Governors congratulated the team for the successful OFSTED report and the work with the OJ community. There would be additional places offered in 2022/23. Managing the breakdown between GLA and ESFA for AEB would be more complex with the addition of separate National Skills Fund allocations. The team continued to look at direct delivery versus subcontracting and this was being reviewed as part of the curriculum planning. Some of the previous colleges had 100% subcontracted provision pre merger which was a huge funding risk and the College was now in a very different place. Governors asked about the impact of Brexit on subcontracting but at present there had been little impact.

ACTION – Any lessons learned from the NGTC inspection to be reported back to CQS

8 Financial Matters

8.1 Management Accounts and Cash Flow Report –

The Finance Director introduced the paper. The Q2 mid year review with budget holders had taken place and the College was working towards around break even despite a reduction in income of 668k. Apprenticeships were 200k lower and some other commercial activity such as the nurseries had not increased as expected. Staff savings would continue to offset the income reduction. Essential spend continued on all non-pay items and was closely monitored.

Apprenticeships were operating in a challenging market. There was no manufacturing base and the COVID impact plus an increase in working from home made it harder. The team had done well given the circumstances and provision had grown over the last few years. It had been brought in house from an inherited subcontracted provision. It may get closer to target depending on the economic impact in the next few months. Governors asked about any residual risk. The College needed to maintain income against the forecast and AEB was the biggest risk.

There was a discussion about other pressures including pay and utilities. Budget holders would have to surrender any unspent funds. The College had to move three campuses onto new contracts as part of the renewal cycle for utilities and used the Laser framework agreement. Utilities were around £1.8m. The full picture would not be known until October/November but there could be an increase of around £0.5m.

Governors asked whether the indicators in the dashboard were correct as some of the areas shown in red felt in contrast to the presentation. The Deputy CEO confirmed that the cash flow was fine. He did not expect to have to use the RCF. Monitoring was taking place weekly in most areas. Outgoing payments were also being managed closely. Governors also commented that some of the red was slightly misleading. The College had set commercial targets which had been ambitious and had failed to meet them due to COVID and the

ongoing impact. The strategy to increase commercial income remained but it would take time for this to be achieved. Reliance on ESFA funding was therefore going up.

Governors asked about the number of cash days. The Deputy CEO explained that the ESFA wanted an explanation if they fell below 10 days but the College was in a good position. Year end was the best time to review this when the figures would be comparable. The timing of the capital receipt from the land sale at Ardleigh Green would impact on this. Governors discussed whether the commercial ambition was unrealistic. No one could have foreseen the pandemic and its impact. Both HE and Fee income had been challenging which added to the drop in nursery fees and OKN1 income had had an impact but this was very small overall on the bottom line.

The Deputy CEO had reduced income significantly and there was a recovery expected in areas such as the language school. The income profile had been developed with detailed planning and modelling including sensitivity analysis. There was detailed discussion at every stage and although there were variances, some were amber rather than red.

Governors asked to see a cash graph which gave a comparison with the previous year as they offered reassurance. Comparisons with the same period of the previous year would aid discussion and give some context. The Deputy CEO would include them in the next set of papers.

The issues for 22-23 were more substantial and initial planning showed a £5M gap which had been reduced to 1.5m at this early stage. There was further work to do and the impact of any pay settlement would need to be factored in, with the possibility of paying this early as part of the settlement. Planning had begun much earlier with two budget meetings having taken place already. The June F&GP committee would look at this in detail and the aim was to get to a break even budget. The College would lobby for a cushion on lagged numbers with the ESFA. Numbers of 16-18 were down due to the grades awarded last year. Any increase would not be realised until 23-34 unless 200 additional students were enrolled and they would be funded at 50% of the full rate in 22-23. The College would use the depreciation charge for works.

8.2 Fee Policy

The policy was agreed as drafted.

Action – The Fee policy was agreed and recommended to the Corporation for approval.

9 Capital Plans

The Deputy CEO gave an update on the three live projects at Epping, Ardleigh Green and Ilford. The CEO explained that the work and tender at Ilford were within budget and work would take place in April to create 16 classrooms with further work in the Summer to complete the provision. The College had been granted a licence to let. There were no issues with the formal lease and as discussed previously, there would be a 10 year lease with a break at 5 years for either party with one year's notice. The discussion at Property Committee had been very positive with the opportunity to develop further vocational provision on site.

The re-provision of car parking at Ardleigh Green would need formal approval of the contractor costs in the next 2 to 3 months. The aim was to complete the works over the summer and a written resolution may be required due to the timing. The number of spaces was a planning condition and the College had tried to reduce this. The long term aim was to move motor vehicle to Rainham and it was agreed that it would be helpful to have a joint meeting with Property committee at Ardleigh Green to look at the master planning. The aim would be to consolidate provision with one new block.

The Epping Wellness Centre had been retendered. The discussion under item 10 set out the

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	<p>details.</p> <p>ACTION – Director of Governance to arrange a joint meeting with property committee in May</p>
10	<p>Procurement</p> <p>The contract for the works at Ardleigh Green would be ready for approval shortly.</p> <p>The Epping Wellness Centre had been retendered. There was a risk if the project did not go ahead in terms of planning and curriculum provision. It needed to be 50% complete by September 2023 or Fairview would have to stop selling homes. They would then have to right the build a basic sports centre which would have no relation to the College and not support the curriculum. The market had changed but the College could not take the risk. The Chair of Property committee confirmed that they had concluded that the project needed to go ahead. The CEO confirmed that they only had a cost estimate with the preferred bidder and not an agreed contract. It would be important for the Corporation to be clear about the risks of not proceeding with the project in a timely way. The College did take on the development risk by not having a fixed price. Governors discussed whether insurance could be bought to cover future projects. The Deputy CEO agreed that the College should consider the strategy for future projects. Increased design work before tendering could produce more certainty but that would delay projects going out to tender by 6 months and could increase costs.</p> <p>The committee was asked to consider the recommendation on the Epping project and to request approval by written resolution as detailed to sign off the contract with the Main Contractor – Neilcott for a contract sum of £6.052 million. The Deputy CEO confirmed that the figures had been reviewed in depth by the QS for both bids.</p> <p>Action – The Committee agreed to the recommendation to request approval from the full Corporation by written resolution of the overall budget of £8 million for the build and the delegated authority for the Chair of Corporation and the CEO to sign the contracts with the Main Contractor, Neilcott.</p> <p><i>The written resolution was issued on 26 May and agreed on 6 June</i></p>
11	<p>Health and Safety termly report</p> <p>The Deputy CEO introduced the report. There was a group structure in place with local meetings to review compliance. The team were being more proactive in terms of ensuring policies were implemented. Inspections were now back on schedule. Those completed in 2022 had been done in house with the support of an external advisor and the use of specialists, where needed.</p> <p>Governors asked about the increase in incidents at Havering Sixth Form. These were due to better reporting with effective systems in place and there was nothing significant. Governors asked about the use of experts and independent review. The Deputy CEO confirmed that the College did buy in specialist support for the team covering advice on implementation and compliance issues. The Health and Safety Audit would go to the Audit committee, and this would focus on high risk areas. The external consultant had been used in a number of areas and governors asked for future reports to show where expertise is brought in for inspections. Context would also help in terms of knowing whether the number and types of incidents were normal or acceptable for a College of this size but benchmarking was hard. The volume at Hackney was due to the campus size and layout, the type of provision and the number of SEND students.</p> <p>Action – H&S reports to show where external consultants were used for inspections</p>
12	<p>Any Other Business</p> <p>The College had 116 students who were Russian or Ukrainian and Deputy Principals were working hard to ensure students were supported. UNICEF was the charity of the month and enrichment was developing a briefing for students. The Deputy CEO confirmed that there were no commercial links.</p>

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	<p>Aramark would be ending their contract in August. Mobilisation had been poor, and the quality was variable. They were operating with a £900k deficit. They had asked the College to pay £400k and this had been challenged as they had not offered a good service. They had agreed to stay to July and the process of looking for either an in house or external solution was in hand. The Deputy CEO confirmed that this would be on the same basis of a nil-based contract. Aramark had not done their due diligence thoroughly and had an ambitious growth target which was not achievable. Food and labour margins had not been achieved.</p>
13	<p>Date of Next meeting The meeting would take place on 23 June 2022.</p> <p>The Chair thanked everyone for their input.</p> <p>The meeting closed at 7.06pm</p>