

Chair	Stephen Critoph
Corporation Members	Gerry McDonald; Marilyn Hawkins, Rob Hull
Co-optees	Brij Patel
Officers	Suri Araniyasundaran: Deputy CEO Jamie Stroud: Group Director of Finance
Director of Governance	Elsa Wright
In attendance	Peter Armah: Group Executive Director of Human Resources

Item No	Item of business
1.	Chair's welcome & opening remarks The Chair thanked everyone for attending and introductions were made.
2.	Apologies for absence All members were present.
3.	Declaration of interests No declarations were made.
4.	Minutes of the meeting of 21 October 2021 The Finance and General Purposes committee agreed that the minutes of its meeting of 21 October were a true and accurate record of the meeting with a slight rewording of the declaration of interest (item 3).
5.	<p>Matters Arising and Action Plan The actions had been completed as set out in the action plan. Further evidence had been supplied to the ESFA and a response was awaited. In response to questions the CEO confirmed that it could cost around £50k.</p> <p>5.1 Workforce Report The Group Executive Director, HR presented some additional analysis from the workforce report and an additional breakdown of the ethnicity of staff. The casework on recruitment was also shown in more detail. Governors discussed the large number of still that still did not declare their ethnicity (420 from 1723). Data at Borough level on the ethnic make up of the local community was also included and governor asked for the breakdown of the student population to be included in the next report. Further work would be done to look at the recruitment statistics to see why there was such a change between the number of male applicants applying for support role and the rate of success and to look to see if there was unconscious bias in the process. Governors thanked the Group Executive Director, HR for this update and he left the meeting</p> <p>ACTION – Data on student population to be included in next report for comparison</p>

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STRATEGIC MATTERS
for discussion, decision or action

6 Financial Matters

6.1 & 6.2 Financial Statements and Management and regularity audit report

The statements for NCC, New City Fitness and OKN1 would be presented for recommendation by the Audit committee to the Corporation after their review of the regularity audit. There were no changes to the £522 surplus which had been outlined at the 4 November Corporation meeting. The figures had been confirmed for AEB with no claw back and there had been a few very small items highlighted by the External Auditor. This was a clean audit and Jamie Stroud and his team had done an excellent job. Governors asked about the process and whether the college had been content with the new External Auditor. The process had been smooth with auditors who understood the sector. There had been two partners involved and the team had worked well. There was a small provision for holiday owed which was a requirement of FRS102. The pension liability had decreased this year as the LPFA had outperformed other LGPS schemes, but the College had no influence over this. The assumptions made by the actuaries had been reviewed as part of the audit. Governors asked about the presentation as the pension figures appeared in a number of places. The Deputy CEO confirmed that this was a standard format, with a lot of the detailed prescribed, and that the pension position was of little interest to many as the whole education sector would be affected if the pension scheme failed.

There were two post balance sheet events to be confirmed before signing: the charge over the Hackney campus was still to be registered and a carbon sustainability statement would be updated before the Corporation meeting. Governors asked whether there should be more in the commentary on progression and the impact of Covid which were referred in the commentary. The Deputy CEO would look at this. The £2m income loss was explained with a reference to the associated costs. The Committee was being asked to confirm that these financial statements aligned with the management accounts that the committee had reviewed throughout the year. The Committee agreed that this was the case.

Action – The Committee recommended the Financial Statements for approval by the Corporation

6.3 Letters of Representation

In response to questions, the Deputy CEO confirmed that these were standards letters that would be recommended for signature by the Audit committee once they had been reviewed. There were some small audit observations on deferred capital grants, documentation around creditor balances, cashing in sheets for OKN1 and deferred income which were all low risk.

6.4 Management Accounts

Quarter one income showed a £1.1m deficit and detailed reviews had taken place with each budget holder. The College anticipated around £1m additional income from High Needs and the costs associated with that were being reviewed. Local Authorities had to confirm the costs upfront for support and the cut off was December. The College should be paid monthly and some LAs did agree this but others waited until much later in the year and the College would no longer accept the risk. The full impact of the decrease in tuition fee income alongside rises in National Insurance and utilities had been reviewed. The Deputy CEO was comfortable with the cost savings that needed to be found to achieve break even.

There was continued pressure on in year wage inflation within a competitive FE sector. Some staff had been poached by other colleges and universities and market supplements were being used in some key posts such as construction. The AOC was waiting for the union pay claim, 5 months after it was due. To deliver high quality teaching and learning, specialist staff were required and the College paid at the top end of the range but it was still hard to recruit.

Cash was well managed and this would improve with the decision to lease the property in Ilford. There would be an early indications report in March. This would look at the impact of missing the 16-18 target at R04. A rate increase could help to offset this decrease in income along with an anticipated increase in catch up funding. The GLA had increased the AEB rate but the ESFA was not expected to follow this which would mean there had been no increase for 8 years.

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	<p>Commercial income was challenging but there was more activity with a focus on the online offer as many companies were changing the way they worked, with more home-based staff.</p> <p>Action – The committee noted the management accounts for quarter one</p>
<p>7</p>	<p>Capital Project Appraisal</p> <p>The paper set out some parameters for appraising capital projects which were self-funded. A five year pay back period had been used. The green book rate was 3.5%. Governors discussed whether there should be differentiation for projects which delivered the core objectives of social and community benefit in contrast with commercial projects such as Westbourne, where a higher rate should be applied. There was no single approach, but the life of an asset would influence investment decisions. Westbourne was a core business although it was clear that it did not deliver a direct benefit to the local college community. There was work to do to upgrade the financial discipline of staff and to ensure the management team were familiar with the metrics around project appraisal. There would be a focus on contribution to the curriculum and the parameters would be kept under review.</p> <p>The Chair thanked the Deputy CEO for the report.</p> <p>Action – The committee agreed the approach in the paper to be kept under review</p>
<p>8</p>	<p>Health and Safety Annual Report</p> <p>The Group Head of H&S was on jury service and the Deputy CEO presented the report. The College had struggled to recruit an additional member of staff and specialist support had been brought in to ensure all the specialist inspections were completed. SMT had received training on their duties from an external advisor. There had been two RIDDORs over the year. Governors asked about the Hackney campus and the number of incidents. It was a large campus with a significant number of High Needs students and trend analysis showed incidents were in line with previous years. In response to questions, the Deputy CEO confirmed that the security team had now been taken in house and they offered back up support for the first aiders. Offers had been made to two potential members of staff to work on health and safety but they had been turned down. Agency support was being used to ensure coverage. Training data was held centrally and the Group Head could review compliance working with Directors to ensure this was completed. In addition, SMT reviewed compliance of all mandatory training. The role of the Group Head of H&S had been reviewed 8 months ago and this would continue to be kept under review. Governors asked the Deputy CEO to pass on their thanks for the work in this key area.</p> <p>The report would be shared with Corporation for information.</p> <p>Action – The committee noted the report which would be shared with the Corporation, for information</p>
<p>9</p>	<p>Marketing Annual Report</p> <p>The Group Director, Marketing and Student Recruitment joined the meeting. The paper reviewed the 16-18 recruitment strategy and looked at the approach for 2022-23 which had been shaped by the activity during lockdown and work to convert applications into enrolments. There had been 6% more applications but 37% less walk ins with overall enrolment down 6%. Spend had decreased by £300k on 2018-19 and the team was smaller than set out in the budget at 12.5 with lower actual costs. Areas such as awareness and engagement were improved and the benefits of digital marketing allowed the team to reach a wider audience with the impact being directly trackable and personalised. There was a 75% increase in overall usage of the website.</p> <p>The team had done some research on the campaign and the impact of TAGs had seen more students stay on at school alongside lower internal progression due to increased job offers or apprenticeships. Many cited familiarity with their school as a reason not to move. Offering interviews and more flexible enrolment might have improved this position.</p> <p>In response to questions, it was confirmed that there was one marketing campaign across the group with duplication eliminated and digital marketing allowed for targeting applicants with information about relevant campuses. The online application process allowed for a much</p>

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	<p>quicker enrolment on campus and helped students feel part of the college before they joined. Advice and guidance were given to applicants, but this was easier to deliver to applicants face to face with alternative courses available that schools might not be able to offer.</p> <p>The adult campaign was being run online alongside some traditional advertising. The cycle was also different and was more flexible with starts in year. The campaign for 2022-23 started for 16-18s in November. In discussion it was confirmed that the NCC branding was used across the group but with differentiation. More work was needed to promote the benefits of being part of a wider group. The recent open day had attracted large numbers and it was clear that the Havering Sixth Form was as popular as before with strong school links. Recruitment at Ardleigh Green was down but in part due to students taking A levels as a results of higher TAGs.</p> <p>There was a discussion about the R04 data and the number of students who had dropped out. Some would have enrolled but not attended and may have secured better than expected results or enrolled at a number of different colleges which was easier with online enrolment. There was a survey in progress to try to capture the reasons for withdrawal. Digital marketing was offering better value for money and the pay per click system allowed activity to be tracked.</p> <p>The Chair thanked the Group Director, Marketing and Student Recruitment for her report and she left the meeting.</p>
<p>10</p>	<p>Operational contracts for approval</p> <p>The Deputy CEO explained that the football programme with Tottenham was extremely successful with both male and female pathways at L2 and L3. The students worked with professional coaches from the club to gain a BTEC alongside English and Maths qualifications. It was run by the club and offered students events at White Hart Lane and although it was marginally more expensive than the previous third party contract, recruitment was strong and the committee was asked to recommend the contract to the Corporation. The contract value was now slightly about the delegated limit for signature by the CEO. Governors agreed to recommend the contract.</p> <p>Action – The committee recommended the contract to the Corporation for signature at its meeting on 16 December.</p>
<p>11</p>	<p>GDPR Update</p> <p>The internal audit in June had been completed with no significant issues. There were one medium and 5 low level recommendations which would be completed and reported back to the audit committee. Core systems were compliant.</p>
<p>12</p>	<p>Treasury Policy</p> <p>There were some small amendments to the policy including highlighting any investments which were over and above bank deposits. There would be no risk to capital but there was counterparty risk. Any specific investments would come back to the committee for approval.</p> <p>Action – The committee recommended the policy for approval by the Corporation at its meeting on 16 December.</p>
<p>13</p>	<p>Any Other Business</p> <p>There were no items</p>
<p>14</p>	<p>Date of next meeting</p> <p>The Chair thanked everyone for their contributions. The next meeting would take place on 10 March 2022</p>

Agreed as an accurate record of the meeting

Signed:

Date:

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