

**FINANCE & GENERAL  
PURPOSES COMMITTEE  
MEETING MINUTES**

Date: 22 October 2024

Venue: Poplar Board room

Time: 5.30 pm.

<b>Chair</b>	Neil Yeomans
<b>Corporation Members</b>	Gerry McDonald, Rob Hull, Brij Patel, Cynthia Griffin
<b>Officers</b>	Jamie Stroud: Group Director of Finance Peter Armah, Group Executive Director Human Resources (item 6&7 only) Richard Surtees, Group Executive Director Curriculum Development and International (item 8 only)
<b>Director of Governance</b>	Elsa Wright
<b>Apologies</b>	All members were in attendance

Item No	Item of business
<b>1.</b>	<b>Chair's welcome &amp; opening remarks</b> The Chair thanked everyone for attending
<b>2.</b>	<b>Apologies for absence</b> All members were present.
<b>3.</b>	<b>Declaration of interests</b> None recorded.
<b>4.</b>	<b>Minutes of the meeting on 25 June 2024</b> The Finance and General Purposes committee agreed that the minutes of its meeting were accurate and would be signed online.
<b>5.</b>	<b>Matters Arising and Action Plan</b> There were no matters arising that were not included in the action plan. The CEO confirmed that the breakdown of spending allocated for BSix merger issues would be shown in the Q1 data.
<b>STRATEGIC MATTERS for discussion, decision or action</b>	
<b>6&amp;7</b>	<b>Annual Workforce Report and HR update</b> The Group Executive Director, HR introduced the report. The data included the three year trend but did not yet capture the BSix staff. There were questions about ethnic diversity and whether the proportion of staff being recruited from different ethnic backgrounds was improving. The GED, HR explained that the college had looked to use LinkedIn and the Black Leadership Network to advertise vacancies as well as the usual places. Governors asked whether the college needed to do something significant to eliminate any bias. It was agreed that the college would get a consultant in to take a look at the process and to look for any areas where this could be improved. The data was excellent and change could be seen but there was more to do and it was a key area to get right.  Governors asked whether this was report just for the Board. SMT received a similar update. It was agreed that mid year reporting would be more focused on the work to close the gaps.  The committee thanked the GED HR for his comprehensive report and looked forward to seeing an update in March.

	<b>ACTION – the committee noted the report. Update in March on consultant’s work on recruitment and progression</b>
<b>8</b>	<p><b>Subcontracting and partnerships Report</b></p> <p>The GED International and Curriculum Development joined the meeting. The report closed down 2023/24 with expenditure in line with the target set and slightly under for AEB. There was no subcontracting proposed for 2024/25 for adults. The focus was on the OJ provision and St Johns.</p> <p><b>ACTION - The committee noted the report</b></p>
<b>9</b>	<p><b>Provisional Outturn</b></p> <p>The draft accounts were now with the external auditor. There had been a Q3 surplus of £2.4m. There had been an increased 16-18 allocation of £3.5 and an increase in the high needs funding which had been offset by the 3.5% pay award. The final outturn was likely to be £2.1m. Apprenticeship funding was lower than planned but this had been offset by other income lines and costs had been reduced. Non pay was as expected and have been closely managed with cost controls in place. The combination of these controls and the funding increased had resulted in the surplus.</p> <p>Governors asked about apprenticeships as they seemed to come in under target each year. The CEO explained that an estimating model had been used in the past which was not accurate. This would be reviewed again at Q1.</p> <p>There was a discussion about the language schools with Oxford not performing as well as expected. There had been additional one off costs with a delay in the subletting of part of the building. There had been additional legal costs and requirements to fulfil for the landlord. Operations had been weaker due to currency fluctuations which had particularly impacted students from Japan. The outlook for 2024-25 was positive. Governors asked about allocating overheads and costs but this was not in line with other curriculum areas and the schools were treated as a department. There were ongoing discussions with the university about the use of the word Oxford. NCC had removed images and changed the colour scheme but would not concede to changing the name. A summer school had run at Hackney.</p> <p>OKN1 had had a positive year and was now much more curriculum orientated.</p> <p>The college would reach the outstanding financial health grade under the assessment from the ESFA/DFE. There was a discussion about how colleges used cash and how a stringer financial health grade could be achieved by increasing reserves rather than by investing in colleges. The current ratio was lower than similar colleges due the investments made by NCC.</p> <p>Governors discussed the cleaning contract and the work in hand now to negotiate an exit as the company could not deliver. NCC’s costs to July 25 would be paid at around £220k. There were some lessons to learn in terms of testing out delivery by taking up more detailed references. Governors asked if they could be held to the whole contract. This would have been an option but given the low level of delivery and the impact on staff, it would have been disruptive. It was noted that a legal solution would have a cost attached but this should have been recoverable. There was a discussion about whether the college should look to have in house legal support given its size. This was something the CEO would discuss with the new COO when appointed. The CEO confirmed that the framework provider had been notified that the contractor could not fulfil the contract.</p> <p>Epping Wellness Centre had a positive income stream but the opening had been delayed. There had been an issue with gas consumption but this should be resolved shortly.</p> <p><b>9.1 Consolidated management accounts</b></p> <p>The Finance Director presented the accounts as part of the financial outturn. The committee commented that they were a good set of accounts. There were restructuring costs of £540k and this had been managed within the current guidelines. £110k had been set aside for the</p>

	<p>potential clawback from the ESFA audit. The CEO had kept the Chair and the Chairs of Finance and Audit up to date with this and further evidence had been submitted which should minimise any payment.</p> <p>There was £500k allocated to BSix for reactive maintenance. The main boiler would need to be replaced and more staff were being recruited for student support. This would be reported against at the next meeting.</p> <p><b>ACTION - The committee noted the management accounts. Q1 accounts to include reporting against the provision for BSix</b></p>
<b>10</b>	<p><b>Learner Numbers and Budget update</b></p> <p>The CEO introduced the report. Recruitment had been positive for 16-18 year olds but there was a higher rate of attrition this year. Hackney borough numbers had fallen at both campuses and sat at around 700 at the Hackney campus and 870 at BSix. This would result in a decrease of around £800k-£1m next year on an income of c£80m. This would be mitigated if there were a rate increase and the college would look to reduce costs as a first step.</p> <p>The college had been served notice by the NEU at BSix. Progression at BSix was worse than had been expected with many L1 students not ready to progress to L2. A Hackney task force had been established chaired by the Principal, Tower Hamlets and Hackney to consider issues across the borough and to look for options to move forward.</p> <p>Adult recruitment was strong but with no additional funding, there could be limited options for students later in the year. The SEND allocation came through the main 16-18 funding with the additional funding claimed from the boroughs and this had to be negotiated. The college had agreed to £9m of provision and boroughs had agreed to pay but the money was slow to come in. Often staff shortages were the reason but the college was pushing hard for payment.</p> <p><b>ACTION - The committee noted the report</b></p>
<b>11</b>	<p><b>Reserves Policy</b></p> <p>This was a requirement of the new financial handbook. The policy should set out how funds, revenue and cash reserves were used. This would sit alongside the investment strategy. Governors were keen to see the policy set out what the percentage of income was targeted for reserves. There should then be a separate report back on the current year. The policy would set out what was included in the calculation. The expectation in the sector was for 1-2% of revenue. It would be helpful to add some context, for example, the number of weeks salary. Capital was kept separate from the calculation. The policy would be updated for sign off by the Board.</p> <p><b>ACTION – The committee recommended the policy with revisions as suggested.</b></p>
<b>12</b>	<p><b>Health and Safety Termly report</b></p> <p>The committee discussed the report and noted that RIDDORs were in line with what was expected for the period. There were still accidents involving SEND students but they had settled down. When students changed or the location changed there could be a short term increase while staff waited for full reports and assessments from previous settings and while the students got used to the new environment.</p> <p>There was a discussion about the decant work and ensuring health and safety standards were maintained during that time. This was due to the change in location and risk assessments rather than the process itself. It was noted that work to remove asbestos had taken place.</p> <p><b>ACTION – The committee noted the report</b></p>
<b>13</b>	<p><b>Any Other Business</b></p>

	<p>The number of HR cases that had been dealt with was high. There had been a large increase since the fee to go to an employment tribunal had been removed. The CEO updated the committee on one case and the Director of Governance would follow up with the GED, HR on the other which was ongoing.</p> <p><b>ACTION – Director of Governance to follow up and report back to the committee Chair</b></p>
<b>14</b>	<p><b>Date of Next meeting</b></p> <p>The next meeting would take place on 28 November 2024.</p> <p>The Chair thanked everyone for their input.</p>