

THE CORPORATION OF EAST SURREY COLLEGE

FINANCE AND RESOURCES COMMITTEE

MEETING HELD ON THURSDAY 3 MARCH 2022 VIA MICROSOFT TEAMS

Meeting commenced: 18.00

Meeting ended: 19.15

Present

| | | |
|-----------------|--------------------|-------|
| Phillip Kerle | Independent Member | Chair |
| Simon Bland | Independent Member | |
| Andrew Baird | Independent Member | |
| Jayne Dickinson | Chief Executive | |

Apologies for absence

| | |
|----------------|--------------------|
| Derek Galloway | Independent Member |
|----------------|--------------------|

In attendance

| | |
|-------------------|--|
| Jyoti Baker | Chief Operating Officer |
| Lindsay Pamphilon | Principal |
| Mitzi Gibson | Executive Director HR and Professional Development |
| Eva Dixon | Chief Operating Officer designate |

Clerk

| | |
|------------|------------------------|
| Sue Glover | Director of Governance |
|------------|------------------------|

FRC.01.22 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.

Andrew Baird declared that, as part of his role with the FE Commissioner's National Leaders of Governance team, he has been seconded to Brooklands College as the interim Chair.

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

There were no other declarations of interests.

FRC.02.22 Apologies for Absence

Apologies for absence were received from

- Derek Galloway

Agreed

The Finance and Resources Committee agreed to accept the apologies for absence

FRC.03.22 Notification of Any Other Business

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

FRC.04.22 Unconfirmed Minutes of the meeting of the Finance and Resources Committee held on 25 November 2021

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

FRC.05.22 Matters arising and Action Points from the Minutes of the meeting

Members reviewed the action points arising from the meeting and agreed that all actions had been satisfactorily completed and there were no other matters arising from the minutes of the meeting.

FRC.06.22 Risk Management Spring Term 2022

The Chief Operating Officer presented, for consideration and approval, a report, which provided an update on the assessments and actions for the risks assigned to the Committee.

Members reviewed each of the identified risks together with the contributory factors, early warning mechanisms, mitigating factors and actions for:

- **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 the highlighted revisions to each of the risks, noting that

- whilst the overall risk for Risk FR1 is ‘amber’ the contributory risk relating to student numbers remains a ‘red’ risk with an increased score
- Risk FR3 remains ‘red’ in the light of significant staffing recruitment difficulties

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

- 16-18 numbers are lower than allocation by 176. The reduction is across all College sites and partners, with some of the reasons identified being Covid impacts on student mental health which has meant a number of students have not returned to learning and grade inflation which has resulted in students enrolling at sixth form colleges
- the impact of this reduction will be in 2022/23 due to lagged funding

It was agreed that the financial impact will be further considered under the financial reporting item on the agenda. Members agreed that the proposed changes to the risk register were appropriate and there was nothing further to amend.

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 2022 relative to its risk assignments and commends the report for approval by the Corporation Board

FRC.07.22 Property Strategy

The Chief Operating Officer presented, for consideration and approval, the high level Property Strategy and the work undertaken to date.

Members were reminded that the Property Strategy was developed and approved by the Board in March 2021. Since then it has continued to be updated in the light of changes in the College Group following the merger with John Ruskin, strong local demographic growth of young people in the areas served, the introduction of T Levels and far-reaching national skills training initiatives and robust advancements in the combined curriculum offer enhanced through the College's employer and sector partnerships.

The Committee was advised that

- the approach taken to develop the Property Strategy has been to
 - identify the curriculum delivery and related estates vision
 - provide an assessment of the current estate, its strengths and weaknesses
 - detail space modelling and utilisation
 - summarise opportunities and constraints
 - provide an options appraisal, the budget required to implement the strategy, recommendation and next steps
- the strategy was reviewed and updated in February 2022

Members considered the detail of the updated strategy presented, noting the key information identified with regard to the College estate and the outcome from the review undertaken of East Surrey GPN to identify areas to be converted to teaching spaces, that has included

- the addition of six classrooms, adding teaching spaces through the Wave 3 T Level fund
- a further application being made for the Wave 4 T Level fund for Engineering, which is presented elsewhere on this agenda
- a review to be undertaken of the John Ruskin estates to identify the best use of excess space to enable the financial sustainability of the campus

In discussion, members agreed to approve the range of actions being taken across the College to ensure the estate remains fit for purpose in line with its strategic objectives. As the Property Strategy is a rolling document and subject to an annual review, it was agreed that it would be presented to the Committee again in March 2023. It was noted that the document prepared by Fusion had some further information to be updated and a final version will be presented to the Corporation Board.

Resolved

The Finance and Resources Committee agreed to approve the approach taken in developing the Property Strategy and that the strategy document, subject to further update, is presented to the Corporation Board

FRC.08.22 Capital Bids

T Level Application

The Finance and Resources Committee through the delegated authority from the Corporation Board approves the submission of the T Levels Capital Application submission to the DfE T Levels Capital Fund (Building Facilities Improvement Grant) for:

- the partial reconfiguration and adaptation of GPN to support the delivery of the Engineering T Level route
- the proposed total budget of £998k. The request for £499k capital grant from the T Levels Capital Funding equating to 50% of the total project costs with the balance £499k equating to 50% funded by a contribution from the College cash reserves
- the College has also received a Specialist Equipment Allowance for this route of £303k, which the College will match fund with additional investment of £303k

Resolved

The Finance and Resources Committee approves the College Property Strategy Summary which will be submitted (along with other supporting documentation) in support of the applications

FRC.09.22 Annual Schedule of Meetings of the Corporation Board and Committees: 2022/23

The Director of Governance presented, for consideration and approval, the Annual Schedule of Meetings of the Corporation Board and Committees: 2022/23.

The Committee was advised that the schedule reflected that of the current and previous years and continues to provide termly 'training and development' meetings for governors

The Committee was asked to consider the basis for the continuation of virtual meetings post Covid-19 restrictions.

Since the start of restrictions in March 2020, the Board and Committees have held meetings virtually using Microsoft Teams. These arrangements allowed the Board and Committees to continue to operate effectively with no interruption to the planned schedule of business during the period of lockdown and to support the College and its senior team. As restrictions eased, the Board agreed for 2021/22 that all committee meetings would continue to be held virtually and that when the full Board meets it would do so in College.

In discussion, it was agreed that as the current arrangements of virtual meetings for committees and in College for the full Board had been successful, as they had proved to be more convenient to all members, they should continue for 2022/23.

Members noted the key impact measures arising from the report, in particular the Strategic and Risk implications.

Resolved

The Finance and Resources Committee approves and commends to the Corporation Board for approval

- the Annual Schedule of Meetings of the Corporation Board and Committees: 2022/23
- the continuation of virtual meetings for committees and in College when the full Board meets

FRC.10.22 College Policies

The Executive Director HR presented, for consideration and approval, the following policy:

- OSC14 Local Recognition and Procedural Agreement

The Committee was advised that

- the policy is presented as part of the regular cycle of policy reviews
- there are only minor date changes to the document

Members reviewed the document and agreed there were no further changes required.

Resolved

The Finance and Resources Committee approves and commends for endorsement by the Corporation Board

- OSC14 Local Recognition and Procedural Agreement

FRC.11.22 Human Resources Report: Spring Term 2022

The Executive Director HR and Professional Development presented, for information, a report to update governors on human resources activity at Orbital South Colleges (OBC), including both East Surrey College (ESC) and John Ruskin College (JRC) for the academic year 2021/22 for term one and to date.

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

- Covid-19
 - the College continues to follow government guidance, which has seen the end to the legal requirement to self-isolate following a positive test and consequent end to self-isolation support payments, although Covid provisions for statutory sick pay can still be claimed for a further month
 - College internal procedures and processes have been updated accordingly
- Staff Utilisation/Efficiencies
 - the under utilisation of staff at JRC has started to reduce by spreading teaching hours more evenly and only a few remain under hours with plans to introduce new in-year courses which will rectify this situation
- Recruitment and Headcount
 - there are still a number of group staffing vacancies to fill, but some key appointments have recently been made

- Staff turnover
 - when reviewing the AoC Workforce Survey 2019/20, average turnover decreased from 18.2% in 2018/19 to 14.8% in 2019/20, a decrease of 3.4%, current College turnover is at 15.57%, which is pleasing as it is back to pre-merger levels
- Attendance management
 - rolling attendance as at 31 January 2022 for all absences is 94.3%, a decrease from 95.25% in October 2021
- Equality and Diversity
 - as with previous years, analysis of the trends in the profile of staff continues with the aim of closely mirroring as much as possible the local and student populations to ensure a diverse workforce
- Continuous Professional Development (CPD)
 - a significant amount of CPD continues to take place to ensure that staff remain highly skilled and knowledgeable to provide excellence in their roles

Members reviewed the HR and CPD KPI dashboard as at 31 January 2022.

Members noted the key impact measures arising from the report, in particular the Strategic, Risk and Student implications.

Agreed

The Finance and Resources Committee receives and notes the Human Resources Report: Spring Term 2022.

FRC.12.22 Financial Reporting

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

- Management Accounts to 31 January 2022 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College
 - KPI Dashboard for Finance

Members considered the detail of the accounts, noting:

- the College group forecast surplus is £300k, forecast in the December 2021 accounts, and a positive variance of £227k against the budgeted surplus of £73k
- the year to date position shows a negative variance of (£29k), a reduced surplus from £64k in December 2021 to £35k in January 2022
- the College group has under recruited on its 16-18 allocation by 153 learners, 70 learners at ESC valued at £353k, 83 learners at JRC valued at £457k
- the College is anticipating meeting its adult education funding allocations with increased delivery within own provision and working with partners
- the College delivery profile for 2021/22 indicates the College has recruited more apprentices from Levy employers resulting in a plus variance of £164k
- Pay costs ratio to income earned is 66.03% against a budget value of 68.48%, a saving of 2.48%
- cash balance at month end was 8.6m
- the College continues to meet its bank covenants

- the College's financial health is anticipated to be maintained as 'Good'

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

- due to lagged funding methodology, the impact of the under delivery of 16-18 will be adjusted in 2022/23, the decrease in funding is calculated at £810k
- the College is working with the local authorities to recruit and deliver lower hours of learning under the NEET learning programme; the College is unable to make any provision for this in the accounts due to the current accounting methodology within the sector not allowing for this
- some of the pressures on income identified will be mitigated by HE, an increase of 57 learners valued at £150k and the acquisition of the full cost UKPN contract

The Committee agreed that John Ruskin remains an ongoing concern with lower than budgeted 16-18 recruitment, but acknowledged that issues such as these had been anticipated at merger and that the initial plan of a 3 year turnaround of the business had been impacted by the restrictions of Covid-19. It was expected that improvements would be realised in 2023/24.

The Committee were advised that set of management accounts would be circulated to the full Board following this meeting.

Agreed

The Finance and Resources Committee receives and notes

- Management accounts to 31 January 2022 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College
- KPI Dashboard for Finance

FRC.13.22 Health and Safety and Estates Report: Spring Term 2022

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

Members noted the key issues in the Health and Safety report

- the Health & Safety Committee met on 9 February 2022
- Covid-19 update
 - Government guidance changed on 21 February removing the legal requirement to self-isolate following a positive test. While this has been removed the College continues to work on the guidance that staff and students who test positive are advised to stay at home for at least 5 days until receiving 2 negative test
- a rolling programme of First Aiders and Fire Marshall training is in place to ensure all updates are current and new staff are trained in a timely fashion
- accident statistics for Orbital College Group to February 2022
- there has been one RIDDOR reportable incident processed this term

Members noted the key issues in the Estates update

- Capital projects
 - T-level Wave 3 Capital Funded Project for the creation of six classrooms and staff offices on third floor Gatton Point North – tender document issued. Wave 4 funded project – in process of scoping and planning
 - Advance Technology Centre – the required transport statement to support the Planning Application has been produced with further information requested. All documents provided and further responses awaited
- Surrey County Council Safety roadworks – post completion safety roadworks following 2010 Gatton Point North Building Projects – there continues to be no indication on the start dates for these works and following advice from legal team it has been decided to tender these works ourselves – the search for suitable qualified contractors continues
- difficulty in attracting and retaining staff with Catering and Cleaning contracts has led to a decline in service levels – strategies have been identified to assist contractors and the College is working with these contractors to identify smarter ways of working

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

Agreed

The Finance and Resources Committee receives and notes the Estates update and Health and Safety Report: Spring Term 2022

FRC.14.22 Any other business

There was no other business.

FRC.15.22 Schedule of meetings: 2021/22

Thursday 23 June 2022

All meetings commence at 6pm

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: 23 June 2022

A handwritten signature in black ink, appearing to be 'D. Hump', is written over a faint circular stamp.