

THE CORPORATION OF EAST SURREY COLLEGE

FINANCE AND RESOURCES COMMITTEE

MEETING HELD ON THURSDAY 23 SEPTEMBER 2021 VIA MICROSOFT TEAMS

Meeting commenced: 17.00

Meeting ended: 17.40

Present

Phillip Kerle	Independent Member	Chair
Simon Bland	Independent Member	
Andrew Baird	Independent Member	
Jayne Dickinson	Chief Executive (College Group)	Principal (ESC)

Apologies for absence

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

In attendance

Jyoti Baker	Chief Operating Officer (College Group)
Mitzi Gibson	Executive Director HR and Professional Development

Clerk

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

FRC.31.21 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.

FRC.32.21 Apologies for Absence

Apologies for absence were received from

Derek Galloway - personal commitments

Agreed

The Finance and Resources Committee accepts the apologies for absence.

FRC.33.21 Notification of Any Other Business
Members agreed that there was no other business to be considered.

FRC.34.21 Unconfirmed Minutes of the meeting of the Finance and Resources Committee held on 24 June 2021
The minutes of the meeting were approved and signed as a correct record.

FRC.35.21 Matters Arising and Action Points from the Minutes of the meeting
Members agreed that there were no matters arising from the minutes of the meeting.

Members noted that all Action Points arising from the meeting had been addressed to the satisfaction of the Committee.

FRC.36.21 College Policies
The Chief Operating Officer presented, for consideration and approval, the following College policies:

OSC32 Financial Regulations
OSC46 Health and Safety Statement and Policy

The Committee was advised that

- there are no significant changes to the substance of the policies and they remain valid for the 2021/22 academic year
- the Health and Safety Statement will be signed by the Chair of the Corporation and the Chief Executive for 2021/22

Members reviewed each of the policies, noting the proposed minor changes and approved the policies for further consideration and approval by the Corporation Board. The Committee was reminded that these are important key documents and, although there are only minor changes, the Board is required to review them on an annual basis to ensure they remain fit for purpose.

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

Resolved

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

- **OSC32 Financial Regulations**
- **OSC46 Health and Safety Statement and Policy**

FRC.37.21 Financial Reporting
The Chief Operating Officer presented, for consideration, a report detailing

- Year-end outturn position for 2020/21 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College
- Enrolment position for 2021/22

Year-end outturn position for 2020/21

Members considered the detail of the year-end outturn position for 2020/21, noting:

- the current operating deficit for the college group is predicted to be (£338k), the College anticipated to achieve an operating deficit of (£508k) as reported in the May management accounts, a negative variance of (£696k) from the budgeted surplus of £188k. This position has been improved by £170k in the first draft accounts for the year to July 2021
- the current deficit position for JRC (£915k)
- the current surplus position for ESC £577k
- the College Group generated additional income of £871k, of which £721k generated at ESC and £150k at JRC
- the negative expenditure variance arises mainly from savings not achieved
- the cash balance at the year-end amount to £8.9m
- the College will have fully completed its FE condition allocation programme by the end of September

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

- the current position is subject to various year-end adjustments and can only be the best forecast position, actuarial valuations for the year have not yet been received for the year ending 2020/21, but anticipate valuations, as in the past, will increase the deficit. The current estimate included across the group is FRS102 costs of £775k, making the forecast deficit £1.2m
- the main reasons for the increase in income are release of historic grant balances, additional grant receipt for the 16-19 tuition fund and some increases not previously recognised in the high needs income and schools link income. The negative variances are on the delivery of the GLA AEB funding of £177k. The final adjustment coming through could further improve the position by circa £150k
- pay savings proved to be challenging as £508k of savings from vacant posts were offset by agency costs of circa £408k

In discussion, the Committee agreed that, whilst the College has faced a challenging year with increased costs from remote delivery of provision and maintaining onsite provision, the impact of Covid on staffing and resources has been significant. Despite this, the College has done well to mitigate the significant pressures on its operating position that was being identified and recognised in previous months, with a deficit position of (£598k) in March 2021 to (£338k) in the first draft accounts.

It was acknowledged that 2021/22 would be equally challenging with additional costs coming through, such as increases in insurance contributions and energy costs.

Agreed

The Finance and Resources Committee receives and notes

- the year-end outturn position for 2020/21 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College

FRC.38.21 Enrolment: 2021/22

The Chief Operating Officer presented, for information, a report on the enrolment position for 2021/22 as at 23 September 2021.

Members considered the report, which provided information in respect of the preliminary position on enrolment relative to both campuses:

- ESFA Funding Stream for
 - 16-18 EFA full time
 - 19+ EHCP and continuers

Members noted that

- the College returned to 'in person' enrolment, which had been a very successful process and was fully endorsed by the students with positive feedback on the efficiency of the process over the period at 98%
- whilst student numbers are currently slightly below allocation at this time, the position continues to evolve with new enrolments continuing on a daily basis
- various programmes have recruited well, including Engineering/Motor Vehicle, Life Skills, Construction
- 19+ has recruited well, with the successful bid with UK Power Networks contract recruiting an additional 300 learners to the part time programmes at level 3 and 4
- HE enrolment is in line with last year and is continuing
- the College tracks all enrolment and student data rigorously and reports regularly to members on the current position and the implications

Members agreed that as enrolment continues there are early indications that the College may recruit significantly well in its adult full time and part time programmes. However, members were reminded that the position was still fluid at this stage and it was important to note that the post 42 day numbers are the important point at which the annual position will settle.

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

Agreed

The Finance and Resources Committee receives and notes the report.

FRC.39.21 Any other business

There was no other business.

FRC.40.21 Schedule of meetings: 2020/21

Thursday 25 November 2021

Thursday 3 March 2022

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: 25 November 2021

A handwritten signature in blue ink, appearing to read 'Dempster', is written over the signature line.