

THE CORPORATION OF EAST SURREY COLLEGE

FINANCE AND RESOURCES COMMITTEE

MEETING HELD ON THURSDAY 24 SEPTEMBER 2020 VIA MICROSOFT TEAMS

Meeting commenced: 18.00

Meeting ended: 18.45

Present

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

In attendance

Kevin Standish	Principal (JRC) Quality Lead (College Group)
Jyoti Baker	Chief Operating Officer (College Group)
Mitzi Gibson	Executive Director HR and Professional Development

Clerk

Sue Glover	Director of Governance
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FRC.31.20 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.

FRC.32.20 Apologies for Absence

There were no apologies for absence.

FRC.33.20 Notification of Any Other Business

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

FRC.34.20 Unconfirmed Minutes of the meeting of the Finance and Resources Committee held on 25 June 2020

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

FRC.35.20 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.36.20 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**
- OSC07 IT Equipment Policy for Students**
- OSC36 Treasury Management Policy**

The Committee was advised that

- there are no significant changes to the substance of the policies
- the policies were fully reviewed in September 2020 to incorporate the College's merged status and remain fit for purpose for the academic year 2020/21
- the Health and Safety Statement will be signed by the Chair of the Corporation and the Chief Executive for 2020/21

Members reviewed each of the policies, noting the proposed minor changes and approved the policies for further consideration and approval by the Corporation Board.

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**
- **OSC07 IT Equipment Policy for Students**
- **OSC36 Treasury Management Policy**

FRC.37.20 HR Annual Report for 2019/20

The Executive Director HR and Professional Development presented, for information, the annual report on Human Resources activity at Orbital South Colleges, including East Surrey and John Ruskin Colleges, for the academic year 2019/20.

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

- **Staff Utilisation/Efficiencies**
 - during Covid-19, 33 staff were furloughed under the Job Retention Scheme as they met the criteria for furlough and the College was able to claim 80% of their monthly salary back from the government
 - there were a number of staff during the lockdown period who could not be furloughed as they did not meet the criteria, but who still could not work from home or carry out their duties, eg. Technicians, Facilities staff and the decision was made to support them financially during this unprecedented time by continuing to pay them full salary
 - when possible, those staff returned to College to carry out their duties to prepare the college for reopening and to be fair to

those still working, furloughed staff were expected to take their outstanding 2019/20 annual leave whilst furloughed and any TOIL accrued was subsumed during this period

- Staff turnover
 - the updated AoC benchmark for 2018/19 has been delayed due to Covid-19, but the full turnover figure for 2019/20 is below the AoC benchmark for 2017/18 and the expectation is that it will continue to remain below the benchmark
- Attendance management
 - Staff attendance percentage has increased since last year and is above the College KPI. It was noted that the AoC College Workforce Survey 2019, which will highlight the 2018/19 national average attendance, was not yet available
- Equality and Diversity
 - the comparisons of the staff profile, student profile and community profile remain at similar levels to the last academic year to ensure a diverse workforce
- Continuous Professional Development (CPD)
 - a significant amount of CPD has taken place during the year to ensure that staff continue to be highly skilled and knowledgeable to provide excellence in their roles
 - during lockdown, those staff on furlough and those not fully utilised were given a target of CPD hours to use this as an opportunity to upskill themselves
 - online training for 2020/21 will include Cyber Security
 - the summer Conference Day held in June 2020 was delivered through Teams and attended by all staff from both campuses with a series of curriculum activities and support teams at both colleges receiving ‘team building’ training from an experienced consultant
 - the commercial upskilling/corporate volunteering event could not take place this year due to the lockdown, but it is planned for next year

Members reviewed the HR and CPD KPI dashboard as at 31 August 2020.

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 Annual Human Resources Report: 2019/20.

FRC.38.20 Financial Reporting

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

- Financial plan submission to the ESFA for 2019/20 and 2020/21
- Year-end outturn position for 2019/20 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College
- Enrolment position for 2020/21

Financial plan to the ESFA

Members were reminded that, as advised at the Board meeting in July, there was no requirement for the Board to approve the financial plan before it was submitted to the ESFA and had been signed by the Chief Operating Officer.

The Committee reviewed the executive summary, noting that the ESFA generated financial health grade is Outstanding for 2020 and 2021. However, the college budget and financial plan includes £1.2m of savings to achieve and for this reason, the college has self-assessed as Good, although the 'Outstanding' health grade may be retained if savings are achieved. It was agreed that, despite the significant risks ahead, it is a positive position.

Year-end outturn position for 2019/20

Members considered the detail of the year-end outturn position for 2019/20, noting:

- the current operating surplus for the college group is £825k, a favorable variance of £589k from the budgeted surplus of £236k. However, the underlying position for the College group is a deficit of £157k
- East Surrey College has broadly met and exceeded its income targets
- shortfalls in the tuition fee income and the AEB income have been recovered from positive variances from the Apprenticeships and release of historic grant balances
- the expenditure savings planned for have been achieved and will be analysed and presented in the final account summaries at the next meeting
- the current deficit position for JRC (£1.24m)
- the cash balance at the year-end amount to £9.8m
- the College's financial health as calculated by the funding agency methodology remains Outstanding.

Members discussed the issues raised, commenting that due to Covid-19 the suspension of the clawback on the adult education budget has been helpful in supporting the college in mitigating some to the Covid related impacts.

The Committee agreed that the key concern is the finances of John Ruskin College with revenues down again considerably from the previous year. In discussion, members were advised that the new provision is recruiting well, such as Construction and Plumbing, however, some of the more established provision, such as Science and Business is not. The marketing of JRC had previously been managed externally and it thought that, due to lack of understanding, this might have contributed to the low level of recruitment of some of these courses. It was noted that the marketing of JRC was now being managed in-house.

In addition, the support teams' costs have been distributed between campuses on the basis of resource used.

It was agreed that, whilst the JRC finances cause concern, the College has done well to achieve an outturn in excess of its budget forecast and places the College in a good position to face the inevitable challenges for 2020/21

Agreed

The Finance and Resources Committee receives and notes

- Financial plan submission to the ESFA for 2019/20 and 2020/21
- the year-end outturn position for 2019/20 for
 - Orbital South Colleges
 - East Surrey College
 - John Ruskin College

FRC.39.20 Enrolment: 2020/21

The Chief Operating Officer presented, for information, a report on the enrolment position for 2020/21 as at 22 September 2020.

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

Members noted that

- due to the pandemic the college had been unable to work with its normal process of face to face enrolment and the enrolment systems redesigned to enable a full online enrolment process
- the online enrolment process has worked particularly well for the Apprentices and has speeded up the process of on boarding with signups
- the current enrolment numbers indicate that the College is on track to meet its allocation but the focus will remain on retaining the students
- it is expected that the 19+ numbers will grow as the NSS Rail Engineering programmes at both sites grow and develop over both campuses
- various programmes have recruited well, including Engineering with JTL, Counselling and Accounting. ESOL has also recruited well
- the online enrolment process has worked part
- HE enrolment is in line with last year and the ACL programmes have commenced with good number on Languages, English and Maths
- the College tracks all enrolment and student data rigorously and reports regularly to members on the current position and the implications

Members agreed that, overall, the College has had a strong start. However, members were reminded that the position was still fluid at this stage and, whilst most students are extremely engaged and enjoying being at the College, there is evidence of students who have disengaged over the past few month and the College is working with the local authorities and other agencies and partners to re-engage with the students.

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.40.20 Any other business
There was no other business.

FRC.41.20 Schedule of meetings: 2020/21
Thursday 26 November 2020
Thursday 4 March 2021
Thursday 24 June 2021

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:

A handwritten signature in blue ink, appearing to read "D. H. [unclear]".

DATE: 26 November 2020