

Chairs	Stephen Critoph (by telephone) and Rob Hull
Corporation Members	Gerry McDonald; Marilyn Hawkins (by telephone), Richard Bint (by telephone)
Officers	Suri Araniyasundaran: Deputy CEO Jamie Stroud: Finance Director David Holmes: COO
Director of Governance	Elsa Wright
In attendance	Richard Surtees – Item 7.1

Item No	Item of business
1.	Chair's welcome & opening remarks Rob Hull agreed to chair the meeting as he was present at the college. He welcomed everyone to the meeting.
2.	Apologies for absence Apologies had been received from Lutfey Siddiqi.
3.	Declaration of interests None recorded.
4.	Minutes of the last meetings Minutes of the last meeting 17.12.19 The text under 4 need to be revised to state that apprenticeships were on target. With this change the minutes were agreed. AGREED: The Finance and General Purposes committee agreed that the minutes of its meeting on were a true and accurate record.
5.	Matters arising and action points from the meeting. Governors asked about the paper on Pensions and the Deputy CEO confirmed that this would be on the agenda for the June meeting. The last revaluation of the LGPS had taken place in March 2019. Governors commented that asset values and long term bond yields had fallen. The recalculation in 2019 had not led to any significant increase in the contribution rate. COVID 19 The Government guidance was not helpful as there was a conflict between telling people to stay at home whilst schools and colleges operated as normal. Staff were receiving daily updates. A number of colleges were closing as they could not provide a service due to staff absences. 195 staff had been absent at NCC, although the vast majority were not unwell and were either caring for someone or were self isolating due to a family member being unwell. Currently only 170 students had been reported absent due to the virus. There were just over 1700 staff and many would be able to work from home. Staff who were pregnant had been told to speak to a senior manager and were being advised not to come in to college. This also applied to anyone with chronic health issues, which were listed in the Government guidance. The Principals had met their respective Union representatives who were saying that the College should close. Governors asked whether the College would stay open. The current Government guidance was that the College should remain open to help manage the pressure on the NHS. A partial closure on some

campuses was expected as staff levels fell. Staff had been proactive and had begun to ensure students were clear about accessing the VLE and the Moodle App. The senior management team were running through various scenarios, including planning for closure. Epping had already closed its SEN provision. There were a number of areas of risk including the language school.

The CEO outlined the potential impact on funding where this was demand lead. This included the 3rd term of AEB funding, apprentices that needed to complete and commercial income streams including OKN1, the gyms and the language school. The Chair confirmed that the AOC was lobbying Government as the income streams provided a risk for the whole sector. There was a discussion about how much of the forecasted income was at risk. It was difficult to quantify at this point, but the Deputy CEO expected a minimum deficit of £2,000,000 but this could rise to as much as £5,000,000 if there was no Term 3 funding. The College would lobby hard if this were the case as staff needed to be paid if the College was able to restart provision in the Autumn. HE funding was also at risk as UKCBC were pushing to close their provision.

There was a discussion about using the RCF, which would help the College to July, when the balance was due the developer at Epping. The CEO confirmed that discretionary expenditure was being cut immediately and vacant posts were being removed unless they were essential. It was a huge risk to the College, but it needed to be a responsible employer and also there was a moral responsibility to pay all those that the College owed money. There would be a further update next week at the Corporation meeting. The Chair thanked the CEO for his leadership at this difficult time. The Unions were arguing that it was not in employees' contracts to work from home and they suggested that the College should pay utility and Wi-Fi costs. The CEO confirmed that there were 1000 laptops available for staff.

7.1 Oxford School of English

Richard Surtees joined the meeting.

The Language School at Westbourne had accumulated £100,000 surplus over the last 3 years set against a difficult period. A number of students were leaving this week and they were being supported to travel home safely. They were given credits, rather than refunds, for any uncompleted courses. There was a small core team and this would minimise the impact, but the School was in a strong position to bounce back. Governors explained that universities were concerned about whether students would come from overseas in the same numbers. RS explained that the Summer Schools were unlikely to take place and these were approximately a third of the core business. Some contracts had been postponed until the following year. Governors wanted to understand what the impact would be and whether there was any insight into future enrolments. At this point it was very difficult to see, but the School was considered to be a strong player in the market. The income forecast had been revised downwards and it was difficult to know whether current events would have a longer term impact.

RS left the meeting at 6.14pm

6 Financial Matters

6.1 Management Accounts January 2020, cash flow and Budget forecast

The half year forecast was for a £1.62m deficit due to both a drop in income and an increase in non pay costs such as estates. The position was changing with COVID19 and this was now forecast at £2.1m. The AEB target would fall and despite an improvement in commercial income this was also now at risk. The College was confident that it would not have to use the RCF at this point, however, this was the low point in funding before the next tranche of Government funding in mid April.

Governors discussed the projected end of year capital position which would lead to a significant decrease if projects including Epping went ahead. The Deputy CEO explained that the College was looking at alternative ways of funding at Poplar. The overall cashflow was positive, but careful cash management would be required. The CEO confirmed that all capital spend would be suspended except for essential works. Some IT replacement projects could be pushed out to a 5 year cycle, however, some of the infrastructure would need to be updated. There would be a further update at the Corporation meeting.

Action: Deputy CEO to update the Corporation.

6.2 Learner Numbers and Funding Update

Governors had discussed the numbers earlier in the meeting.

**STRATEGIC MATTERS
for discussion, decision or action**

7	<p>Capital Indicative Budget 2020-21</p> <p>There would be further detail of the ongoing projects at the June meeting. The Government had promised £1.5bn of capital funding to colleges over the next 5 years, however, this would need to be match funded.</p> <p>Members of the Finance Committee were seeing detailed proposals for the first time as the detail of the project had been discussed at Property Committee, however this had been touched on at the December Corporation meeting in terms of bridging the funding gap. Governors discussed whether there should be more of an overlap of the membership of the Property and Finance Committees given the diverse estate and the significant number of development projects.</p> <p>The CEO explained that it was complex but the proposal outlined in the paper would help to deliver the Poplar project and make the decamp process both more efficient and less expensive. Governors agreed that the CEO should lead this process and that further information should be presented to the Corporation.</p> <p>Action: Presentation to be prepared for Corporation on 26 March</p> <p>7.2 Land Sale at Rainham</p> <p>There were two best and final offers for the piece of land as set out in detail in the paper. Governors asked whether the lower offer was slightly better than the original projections. The Deputy CEO confirmed that it was slightly better and that bidder now had both approval from their Board and the funds to proceed but this would be tested by due diligence. The risks associated with the second bid were significant and they could pull out at any point. There were parking issues which could prove complex to resolve. There was also the risk that the College would need to bear some of the s106 costs and the Committee agreed that it made sense to accept the first offer.</p> <p>Agreed: The F&GP Committee recommended the first bid for Corporation approval</p> <p>7.3 Ardleigh Green Land Sale</p> <p>This was a project that had been developed pre-merger to sell a piece of land to build a nursing home. The paper included valuations and assurance about best value. A joint planning application would be made for the redevelopment to deliver the first stage of the master plan at the Ardleigh Green site. There were also three residential plots and the College would pursue planning before putting them on the market. The Committee agreed that the sale to be recommended to the Corporation as set out in the paper.</p> <p>Agreed: The F&GP Committee recommended the sale for Corporation approval</p>
8	<p>Financial Services Review</p> <p>The finance team was now integrated and was moving towards the implementation of one system across all sites by 1st May. An external consultant would provide support for the migration and additional resources including financial and management accountants were being recruited to the team. A systems accountant would be employed for one year to help improve processes and to ensure successful migration. There was some work to do to strengthen the payroll team which was now centrally run. There was also some work on pensions administration and some tidying up to ensure there was no duplication. The Deputy CEO confirmed that staff did work across the campuses and that there would be further integration when the COO left in April. All sites were being treated in the same way and there would be local managers to ensure consistency across the campuses. Governors thanked the Deputy CEO for this update and commented that the integration of financial systems should be considered in relation to the Local Board at Havering. There were local business partners, but a centralised system including one balance sheet reconciliation. Governors asked if they could see an organisation chart. The Deputy CEO confirmed there would be one team for all campuses. The structure would be kept under review.</p> <p>Action: Finance organisation chart to be circulated for discussion at next meeting.</p>
9	<p>Fee Policy</p> <p>There were no significant changes and the framework was delegated to the Senior Management team.</p> <p>Action: The F&GP Committee agreed the policy and recommended to the Corporation for approval</p>
10	<p>HR Update</p> <p>Systems continued to be aligned as the data was not common and there were different trigger points for long</p>

	<p>term and short term absences. The CEO updated Governors on compliance. There were very few staff who had not completed all of the steps. A staff declaration was now being used annually which decreased the number of DBS checks required each year. In response to questions, the CEO explained that there was further macro analysis to be done in order to report in full on Equality and Diversity. The Senior Management team would update the committee at the next meeting.</p> <p>Action: HR Director to update the Equality and Diversity plan for June meeting</p>
11	<p>Health and Safety Termly Report</p> <p>This would be the final report before the NCC and Havering hubs were brought together. CPD had taken place to raise Health and Safety expertise and First Aid training had been rolled out across the campuses. Policies were being harmonised and there would be one structure for the Estates team moving forward. Governors asked whether there had been a legal claim in relation to the broken bone reported. The Deputy CEO was not aware of any claims. The Estates team would harmonise the reports to ensure consistency across the group. Governors asked about the different approaches to incidents which were highlighted as red and should be addressed immediately. All incidents were being reviewed and this showed the position at the end of term 1. Governors were interested to understand more about the reporting of near misses to ensure consistency moving forward.</p>
12	<p>Any Other Business</p> <p>The Deputy CEO confirmed that the Budget would come to the 18th June meeting. The Chair explained that there would be some reshaping of the Corporation agenda and only items requiring approval or those that were business critical would be discussed. Governors agreed that this was a sensible approach.</p>
13	<p>Date of next meeting 18 June 2020</p> <p>The meeting closed at 7.13pm</p>

Signed:

Dated:

