

## MINUTES – Agreed 28-11-23

### THE CORPORATION OF EALING, HAMMERSMITH & WEST LONDON COLLEGE

<b>Meeting</b>	<b>Finance &amp; General Purposes Committee</b>		
<b>Date</b>	Thursday 21 September 2023	<b>Time</b>	18.00
<b>Venue</b>	Remote		
<b>Members</b>	Phillip Kerle (Chair); Jon Roe; Karen Redhead (CEO).		

**In attendance:** Anil Nagpal (Chief Operating Officer); Maxine Deslandes (Director of Finance); Richard Ward (Director of Governance).

	ITEM
1	<p><b>Attendance</b></p> <p>Apologies were received from Chris Taylor and Ian Comfort.</p>
2	<p><b>Declarations of Interest</b></p> <p>Phillip Kerle declared that he was a Governor at Orbital South Colleges.</p>
3	<p><b>Minutes</b></p> <p><b>Resolved, That the minutes of the meeting held on 20 June 2023 be approved.</b></p>
4	<p><b>Matters arising</b></p> <p>Governors noted two matters arising from the previous meeting, one of which was ongoing and the other had been completed.</p>
5	<p><b>Management accounts July 2023</b></p> <p>The Chief Operating Officer presented a report on the College’s management accounts as they stood at the end of July 2023. The year end forecast was a deficit of £3.1m, which was an adverse variance of circa £800k against the original budget. Income was down but pay expenditure was under control. Non-pay expenditure was affected by grants. The accounts showed an adverse variance of £500k in respect of energy costs.</p> <p>The EBITDA sat just under £2m, giving a 5.7% ratio which was a significant improvement on previous years. The College had £2.6m for pension costs (FRS102) in the accounts and was awaiting a report from the actuaries for a final figure and valuation report. Most of the College’s financial KPIs looked good, although borrowing as a percentage of income had increased slightly as a result of lower income. The repayment of the College’s commercial loan with Barclays had been made as planned. The College had ended the financial year with a strong cash position and a cash balance of over £11m. Overall, the College sat on the</p>

	<p>culp of 'Good' financial health, and the College's exact position would only be confirmed once the annual financial statements were complete.</p> <p>The Chief Operating Officer explained the variance in income, which was set out in detail in the full accounts and showed the distribution of AEB funding received by the College from the ESFA and GLA respectively. The College's commercial income had not returned to pre-pandemic levels and the latest forecast was included as part of current projections.</p> <p>A governor commented that income received from apprenticeships was low, and asked whether the College's offer was attractive to the market. The CEO and Principal commented that the apprenticeship offer was being rationalised, with a focus on the priorities set out in the Local Skills Improvement Plan. A new Apprenticeships Manager had been recruited in order to strengthen performance in this area.</p> <p>The Committee noted that the development of a new Strategic Plan presented an opportunity to re-evaluate the College's offer, not just on apprenticeships but more broadly. The introduction of the LSIP and Accountability Agreements provided added impetus to make sure that what the College provided was well aligned to local skills needs. The CEO/Principal informed the Committee that the College was leading on developing the retail element of the LSIP, including an element of off-site delivery.</p>
<p><b>9</b></p>	<p><b>Subcontracting</b></p> <p>The Chief Operating Officer informed the Committee that the subcontracting update was based on the R13 funding return, which had now been submitted. The final R14 return would be submitted on 19 October. The Committee had approved the College's proposed subcontractors for the new academic year at its meeting on 20 June.</p> <p>The Chair gave the Committee's thanks to College staff for the effort which had been put in over the past few months to get the College to this position. He asked that better reporting on performance against funding allocations be provided during the year. The College had experienced issues in distance learning programmes in previous years, which placed the teams concerned under significant pressure.</p> <p>The CEO/Principal suggested that it would be a good time for the Deputy Principal (Planning, Partnerships and Projects) to provide a detailed update to governors on his work to improve distance learning. The CEO/Principal agreed that assurances provided to governors in previous years about distance learning numbers had not been borne out by actual performance.</p> <p>One of the challenges in accurate reporting arose from the fact that ILR returns could not be relied upon until the R04 period, the deadline for which fell in early November. The College had strengthened its funding reports in order to improve the quality of information. The Chair emphasised that regular reporting of performance against funding allocations to governors was essential to enable effective oversight.</p> <p>The Chief Operating Officer noted that the College was currently above the 97% GLA threshold and would avoid a clawback from the GLA. The ESFA income, at £2.4m, was tracking slightly below forecast at £2.5m. The position would be finalised for the R14 return.</p>

	<b>Action: CEO/Principal and Chief Operating Officer to consider how best to provide enhanced reporting to the Board on performance against major funding allocations.</b>
<b>6</b>	<p><b>Confirmation of Going Concern</b></p> <p>The Chief Operating Officer informed the Committee that the College was in a strong cash position and able to cover its current liabilities. This would be communicated to the Board the following week.</p>
<b>7</b>	<p><b>Estates update</b></p> <p>The Chief Operating Officer spoke to the Estates update paper. The College intended to progress to RIBA Stage 3 for the Hammersmith redevelopment but, as the Board had been informed in June, still lacked the funding to do so. As a consequence, the RIBA Stage 3 works had been split into three phases. The College would carry out initial elements (first phase) of RIBA Stage 3 within the limitations of the overall budget for the new academic year which had been approved by the Board in June.</p> <p>The College was in discussion with a local school and the Department for Education in relation to a possible occupancy arrangement for part of the Hammersmith site to accommodate a temporary decant from the school's site which was due to be redeveloped. While discussions were ongoing, the College was evaluating the proposal carefully and mindful of potential risks.</p> <p>The CEO/Principal reminded governors that redevelopment of the Hammersmith site was dependent upon a significant funding gap being met from the public purse. There remained a large funding gap in respect of the Hammersmith redevelopment project. Governors asked whether the College had been affected by any issues related to reinforced autoclaved aerated concrete (RAAC). The CEO/Principal informed the Committee that the College had responded to the DfE survey to state that it did not have RAAC within its estate.</p>
<b>8</b>	<p><b>Settlement payments</b></p> <p>[REDACTED]</p>
<b>10</b>	<p><b>HR annual report</b></p> <p>The Committee received and noted an annual report on the College's HR function, which had been prepared by the Director of People and Organisational Development. Governors noted that the College's workforce was more diverse than the areas it served. The CEO/Principal informed governors that the diversity of senior management was an area for improvement which would be addressed through a refreshed approach to equality, diversity and inclusion in the College.</p>
<b>11</b>	<p><b>Gender pay gap report</b></p> <p>The Committee received and noted a report written in preparation for the College's annual return to the gender pay gap.</p>
<b>12</b>	<p><b>Terms of reference</b></p> <p>The Director of Governance explained that the terms of reference had been</p>

	<p>reviewed with the intention of providing greater clarity across all Committees and that no fundamental changes to the role of the Committee were intended.</p> <p><b>Resolved, That the terms of reference for the Committee be recommended to the Board for approval.</b></p>
<b>13</b>	<p><b>Cycle of business</b></p> <p>The Director of Governance reported that the Chief Operating Officer and Director of Finance had provided helpful feedback on the Committee's programme of work. This had informed the review of the Committee's cycle of business and resulted in a couple of items of business moving from the Finance &amp; General Purposes Committee to the Audit Committee.</p> <p><b>Resolved, That the cycle of business for 2023/24 be adopted.</b></p>
<b>14</b>	<p><b>Committee evaluation</b></p> <p>The Chair raised the membership and attendance levels of the Committee. The Director of Governance informed the Committee that the Search, Governance &amp; Remuneration Committee would be considering governor attendance, recruitment and retention at its meeting on 3 October. The Chair noted the importance of effective succession planning in key governor roles.</p>
<b>15</b>	<p><b>Any other business</b></p> <p>Nil.</p>
<b>16</b>	<p><b>Date of next meeting</b></p> <p>Tuesday 28 November at 6.00 pm (joint for the first hour with the Audit Committee).</p>