

**MINUTES – Approved by the Chair**

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

**Meeting**                      **Finance & General Purposes Committee**

**Date**                        Tuesday 19 March 2024                      **Time**    17.30

**Venue**                        Virtual meeting

**Attendance**                Phillip Kerle (Chair); Jonathan Roe; Chris Taylor; Karen Redhead.

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

	ITEM
1	<b>Attendance &amp; apologies</b>
2	<b>Declarations of Interest</b>  The Chair declared that he was a governor at Orbital Colleges South.
3	<b>Minutes</b>  <b>Resolved, That the minutes of the meeting held on 28 November be approved.</b>
4	<b>Matters arising</b>  The Committee noted that the one matter arising from the previous meeting relating to the circulation of information from the DfE’s governors’ financial dashboard had been completed in time for the meeting of the Board on 12 December.
5	<b>Management accounts</b>  The Chief Operating Officer spoke to the College’s management accounts for January 2024. The College was tracking well against the bottom line but was for the first time reporting an adverse variance of £176k. The College was still forecasting an end of year operating surplus of £123k. The College’s income was up against the budget, but increased income brought with it some increased costs. The accounts showed a £2.5m favourable variance on income which included the College’s successful business case to the ESFA to operate above the subcontracting cap of 25%. The additional income of £648k from the ESFA had, in line with the decision of the Board, supported the College’s latest pay award.  The College was tracking reasonably well against its financial KPIs. The College’s current year-to-date (YTD) financial health score of 230 points was probably slightly overstated at this point in the financial year, and was forecasting to be at around 190 points at the end of the year, which would place the College at the lower end of ‘Good’.  The Committee queried why the accounts showed a negative variance if income

	<p>was up. The Chief Operating Officer explained that the report set matters out at a high level and these included the income and expenditure variances. The full accounts went into more detail. The Director of Finance stated that the College had received funds through the Local Skills Improvement Fund as part of which it led a number of projects. The revenue funding awarded was £290k with associated costs reflected in pay and non-pay. Other changes to funding were related to T Levels and subcontracted provision via Rhythm Studios, this had resulted in an increase in delivery costs of £175k. The Chief Operating Officer clarified that these were issues which had been moved from 'risks' in previous accounts to 'forecast' in the current accounts. The risks were set out in the sensitivity analysis within the appendices. The Director of Finance informed the Committee that pay was a particular pressure and the College was considering what mitigations would be possible.</p> <p>The Chair reported that he had spoken to the Deputy Principal (Planning, Partnerships and Projects) on the College's performance on distance learning, and that performance was currently encouraging.</p>
6	<p><b>Confirmation of going concern</b></p> <p>The Chief Operating Officer reported that the College's current cash position was strong and that it was able to cover its current liabilities. This would be reported to the Board the following week.</p>
7	<p><b>Financial regulations</b></p> <p>The Chief Operating Officer spoke to a paper which set out proposals to amend aspects of the College's financial regulations 'in year', relating specifically to the levels of authorisation, approval and number of quotations required at different thresholds. He informed the Committee that the full review of financial regulations would take place in the usual way at the Committee's meeting in the summer term.</p> <p>The intention was to provide greater autonomy to budget holders, in the context of the College's improved financial position. The increased autonomy would come with increased responsibility and ownership on the part of budget holders. The CEO/Principal added that this issue had come through clearly in the recent staff survey as an area where changes were desirable.</p> <p>The Committee noted the number of quotations which would be required at each proposed financial threshold. The Committee sought assurances that cost certainty would be achieved with at least one quotation being obtained prior to an order being placed, which was confirmed. It was also confirmed that all orders would continue to follow the same process through the College's financial systems and be subject to ongoing scrutiny by the budget holders. The Committee made a minor textual amendment to the paper to clarify that a single quotation would be acceptable for orders of a value up to £3,000.</p> <p><b>Resolved, That the proposed amendments to the College's financial regulations be recommended to the Board for approval.</b></p>
8	<p><b>Estates update</b></p> <p>The Chief Operating Officer gave an update on the College's Estates Strategy. At Hammersmith, the work on RIBA Stage 3 'A' had been completed by Peter Marsh Consulting. The results of the work had been received very recently and would be reported to the Board. The approach from a third party to rent part of</p>

	<p>Hammersmith had not been progressed due to the third party's timetable slipping and no longer being in alignment with the College's plans. The Chief Operating Officer stated that while it would have been beneficial to have a single tenant, other opportunities would be explored and pursued. On other matters, refurbishment works in classrooms would continue through the rest of the year.</p> <p>The CEO/Principal added that the College had commissioned a firm of consultants to produce a report on decarbonisation, the results of which would inform future elements of the College's estates work. The CEO/Principal added that no response had been received on the listing of the Hammersmith campus, and that plans to 'contract the occupancy footprint' at Hammersmith were being progressed.</p>
9	<p><b>Settlement payments - Confidential</b></p> <p>[REDACTED]</p>
10	<p><b>Budget setting process</b></p> <p>The Chief Operating Officer informed the Committee that the College was in the process of setting its three year financial plan which would be presented at the next meeting in June before going on to the Board at the beginning of July. The financial plan would be informed and to a large extent driven by the curriculum and workforce planning, both of which were underway. The headline figures presented at this stage were indicative only, and were subject to change. The Chief Operating Officer added that the College was aiming to maintain the positive direction of travel on its finances that had been established in recent years.</p>
11	<p><b>Consideration of strategic risks</b></p> <p>The Chief Operating Officer explained that as part of the College's approach to risk management, committees were being consulted on each of the strategic risks which fell within their remits. The strategic risk register had been rationalised and there were now nine strategic risks, of which seven were included in the paper presented to the Committee.</p> <p>The Committee began with the third strategic risk on student data and funding rules. It noted that the Director of MIS was reviewing the College's systems and processes for monitoring that area, asked when it would be completed and how it would be reported upon. The Chief Operating Officer informed the Committee that this was an area subject to close scrutiny, with several sources of assurance in place, including both the internal and external audit services and the funding agencies. The College was working to reduce the number of vacancies in the MIS team, which played an important role in this area. The CEO/Principal added that the College was required to have an annual internal audit assignment on learner numbers (<a href="#">Audit Committee minutes 26/9/23, item 10.3</a>).</p> <p><b>Action: Commentary on the risk relating to learner numbers to be updated in line with the latest available information and reported back to the Committee (Chief Operating Officer).</b></p> <p>The Committee discussed the fourth strategic risk, which related to cyber security and the College's efforts to secure Cyber Essentials. The Chief Operating Officer informed the Committee that the College had been working closely with Jisc, which had recently carried out an infrastructure review which had made</p>

	<p>recommendations that the College would take forward. The Committee discussed the potential of reaching Cyber Essentials Plus accreditation, which the Chief Operating Officer confirmed was a sensible aspiration. The Committee noted the fact that several colleges had experienced cyber attacks recently.</p> <p>The Committee discussed the seventh strategic risk, which related to people and culture. A governor asked when the work of the external consultants would be reported. The CEO/Principal informed the Committee that it was on the agenda for the Board's meeting the following week, papers for which had been issued earlier in the afternoon. Consultation on the College's 'employee value proposition' would begin at a staff forum the next day.</p>
<b>12</b>	<p><b>Tuition and fees</b></p> <p>The Chief Operating Officer presented an updated tuition and fees policy, which the Committee was invited to recommend to the Board for approval.</p> <p><b><i>Resolved, That the tuition and fees policy be recommended to the Board for approval.</i></b></p>
<b>13</b>	<p><b>Committee evaluation</b></p> <p>The Committee commented that it would be helpful if figures from previous periods could be reported alongside current figures. The Chief Operating Officer agreed that this would be a helpful measure.</p>
<b>14</b>	<p><b>Any other business</b></p> <p>Nil.</p>
<b>15</b>	<p><b>Next meeting</b></p> <p>The next meeting of the Committee was scheduled for Tuesday 18 June at 6.00 pm.</p>