

Meeting of the Policy & Resources Committee

Date:	23 June 2025	Room number	Via Teams
Present	Carole Ditty (Chair), Forhad Altafi (Vice-Chair), Molly Makota (MM), Andy Forbes (AF), Natalie Davison (Principal & CEO)		
In attendance	Victoria Eastwood (Chief Governance Officer) (CGO) Hiten Savla (Deputy Principal - Finance & Resources) (DPFR) Diana Olafsdottir (Director of HR) (DHR),		
Apologies	Cllr Elizabeth Kangethe (CK), Jahaid Zaman (JZ)		
Circulation	Policy & Resources Committee/Corporation		

1.	Welcome and apologies. The Chair welcomed all present to the meeting. Apologies for absence were received from Cllr Kangethe and Jahaid Zaman.																							
2.	Declarations of Interest Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. No declarations of interest were recorded.																							
3.	Minutes of the Previous Meeting held on 24 March 2025 The Minutes of the previous meeting held on 24 March 2025 were agreed as a true and accurate record. Approved: The Minutes of the previous meeting held on 24 March 2025 were agreed as a true and accurate record.																							
4.	Matters arising An update on the actions from the previous meeting was provided: <table border="1" data-bbox="276 1189 1489 1700"> <thead> <tr> <th>Agenda Item</th><th>Action</th><th>Responsibility</th><th>Timescale</th><th>Update</th></tr> </thead> <tbody> <tr> <td>8.</td><td>Draft HR Risk Register to be presented at the next meeting.</td><td>DHR</td><td>June 2025</td><td>Included in the agenda</td></tr> <tr> <td>9.</td><td>Contribution analysis data to be shared at the next C&Q Committee Meeting.</td><td>CGO</td><td>June 2025</td><td>Added to Business cycle</td></tr> <tr> <td>12.</td><td>Summary of D&O cover to be provided to the Committee.</td><td>DPFR</td><td>ASAP</td><td>Complete</td></tr> </tbody> </table>				Agenda Item	Action	Responsibility	Timescale	Update	8.	Draft HR Risk Register to be presented at the next meeting.	DHR	June 2025	Included in the agenda	9.	Contribution analysis data to be shared at the next C&Q Committee Meeting.	CGO	June 2025	Added to Business cycle	12.	Summary of D&O cover to be provided to the Committee.	DPFR	ASAP	Complete
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5.	Strategic Risks The Deputy Principal Finance & Resources (DPFR) highlighted the following: - There had been improvement in the mitigation of risk across five areas – overall mitigated risk reduced to 100 - Appetite of risk in terms of Safeguarding, Health and Safety – risk levels had improved in terms of mitigated risk but this did not mean these risks would not continue to be monitored – they would remain constant risks																							

	- Risk have reduced as the College approaches the end of the academic year and there is now more certainty linked to the Ofsted position - Risk appetite can be attached to the risk register as an additional item if required In response to a query from MM, the DPFR confirmed that the risk appetite had been assessed through the risk management policy but the Board approved the level of risk. The Vice-Chair referred to marketing within the strategic growth plan. The DPFR advised that 85-88% of the College's income was through grant funding and there was a limitation on what could be marketed eg funding had decreased for adult provision therefore the College was unable to market this area to maximise numbers. The key was to ensure marketing was effective to drive the growth element. The Chair referred to the upgrade of IT infrastructure noting that the upgrade did not take place during 2024/25 and asked whether this would be addressed. The DPFR replied that the College had planned to deliver on the upgrading of IT to Office 11 but this had not taken place. The position may be reviewed this year to consider leasing PC's instead of purchasing them which would reduce the level of cash outflow. Capital needs would be reviewed against the budget line items. The Chair advised that, post Ofsted, there should be a review of whether the risk items needed to be monitored and whether items were missing etc. The DPFR responded that further conversations internally would highlight additional items and whether these were operational or strategic. AF stated that, in the context of looking forward, it would be appropriate for the Board to consider risk appetite at the next strategy session – this was agreed. Action: Risk appetite to be included on the agenda for the next Corporation Strategy Event. Agreed: that the current position be noted.
6.	EDI Update The Chief Governance Officer reported that the EDI Working Group were convening to discuss the EDI objectives for 2025/26 which would be based on the EDI section of the strategic plan. Discussion took place on the progress made within EDI and how this area would be a key focus for 2025/26. Key highlights included: - Measuring outcomes not inputs (specifically the Board) - Training received from Simon Fanshawe - Training requirements for staff: confidence in current requirements/legislation - Strategic plan - AoC training - Bottom-up approach The Director of HR (DHR) advised that feedback from the staff survey had reflected positively in this area. Agreed: that the current position be noted.
7.	Draft Annual Budget and Three-Year Financial Forecast/CFR The DPFR informed the Committee of the following: - Bottom- up budget predicting a current loss of c£3m - Number of areas showing as overstaffed and therefore potential savings including areas where there are additional staffing costs which are not required - Restructuring exercise taking place in apprenticeships - Cost savings in non-pay - Under delivery for GLA and ESFA which can be made up internally - Potential to reduce the budget to a loss of £1.4?4m

The DPFR shared a presentation on what the College needed to do to avoid breaching banking covenants, and to ensure DfE “Good” financial health rating. Key points for discussion included:

- Financial health ratios
- DfE measurement of financial health
- Bank covenant for the loan – debt service cover, operational leverage, security cover
- 2023/24 accounts - good financial health
- Based on the current predicted budget (after mitigations) the College would be on the cusp of requires improvement – need to improve EBITDA
- Potential breach for two of the covenants
- In order to ensure good financial health and not breach the covenants, the College needed to find a further 450K through savings or increasing income
- Additional funding has been made available for colleges but the College's allocation had not yet been confirmed
- Difficult to achieve a zero base position as there was a high level of depreciation charge which required over 4m EBITDA profit

AF stated that it was not favourable for the College to be making a loss and this should be avoided if possible, however, there was not a huge amount of time for the Board to approve a balanced budget. 16-18 was key – the demographics were moving in the College's favour and many other colleges had expanded 16-18 provision. The College needed to be ambitious to be increasing the 16-18 offer.

The Principal/CEO advised that this was the first draft. The College did not want to present the Board with a deficit budget and this was an iterative type process largely because planning had been paused for Ofsted but there was the opportunity to refine this. Staff tended to be aspirational in their requests for staffing and therefore there would be some savings. 16-18 was lagged funding so increased recruitment would benefit the following year, however the cost control needed to be focussed. An apprenticeship restructure was taking place and there would be further work going on to scale back the leadership structure.

MM stated that it was uncomfortable to report such a large deficit and queried the £1.7m increase in support staff pay. The DPFR replied that 15 Higher Learning Teaching Assistants to work with English and Maths had been included as support staff at a cost of nearly £680K and Heads of Department who did not have a teaching remit have also been classed as support staff instead of teaching staff. The College was allowing for a loss in apprenticeship provision – closing the provision would improve the bottom line but there was a need to step back and consider growth. Support was not continuing for Broadway Theatre at £100K per year and the College was considering pulling out of Barking Learning Centre.

AF queried if there was a policy regarding teaching remits for Heads of Department. The DPFR advised that this was in place for Curriculum Managers and Curriculum Leaders who were classed as teaching staff. Heads of Division covered teaching hours if required but did not receive full remission.

MM stated that the support staff pay budget was more than half of the overall pay budget and it was usual to expect teaching pay to be higher. In terms of ALS/High Needs there was an expectation that the increase in learners would correlate to the increase in pay.

The Chair noted that the Committee were seeing the budget at an earlier stage of development than previously and clearly there were opportunities but some strategic decisions re savings needed to be made eg Barking Learning Centre, apprenticeships and inherent tension between growth, meeting local skills needs and managing the budget.

The Chair advised that the Committee's observation was that a lot of work needed to be done and questioned the time frame to present a final budget to the Board. The DPFR replied that further consideration needed to be given to staffing requirements against the curriculum plan and the hours needed – being transparent in terms of overstaffing which could be challenged; opportunity for overstaffed

	areas to help areas that needed additional staffing. The curriculum plan had been put together based on current year numbers but this year has been exceptional in term of sickness cover which had subsequently been increased for next year but could be tightened. AF stated that a special meeting of the Corporation may be needed to approve the budget. The DPFR would confirm after the meeting. Agreed: That the current position be noted and the DPFR revert re next steps.
8.	Tuition Fees Policy 2025/26 The DPFR reported that the Tuition Fee Policy 2025/26 had been updated to allow for deposit payments by learners taking out advance learner loans. The change was to protect the College from loss of income where advance learner loans were not approved and confirmation was not received until part way through the academic year. The Chair asked for clarity on the deposits re advanced learner loans. The DPFR responded that these were not set outside an exact summation but similar levels to HE were applied eg 25% for the first term and additional 25% for the second term if the grant had not come though – this was refunded if the loan was received. Approved: the Tuition Fee Policy 2025/26 was approved, subject to ratification from the Board.
9.	Subcontracting Update including Subcontracting Plan 2025-26 The DPFR updated the Committee on the following key points: - Current position for 2024/25 - to ensure achieving target subcontractors have been able to deliver on additional elements - All on plan – assists with adult overall achievement rate - Ofsted outcome for subcontracting was good - 2025/26 allowed for 1.2m – additional courses being reviewed - Current adult provision showing contribution rate of 25% - cost for managing is 20% The Chair noted that subcontracting had been increased this year and the College needed to be mindful of this when setting the following year allocation. Approved: The Subcontracting Plan 2025/26 was recommended to the Board for approval.
10.	HR Update including Draft Risk Register and Complaints Update/Casework The DHR highlighted the following: - Draft risk register specific to wellbeing – Union collaboration to address wider wellbeing concerns - Working to HSE guidelines - Working relationship with the Union - Union wants to reduce teaching hours as part of the national agenda - Draft risk register remains in consultation -awaiting full Union response - AoC discussions still taking place The Vice-Chair stated that this was a good piece of work, the College previously had c70+ live vacancies and it was pleasing to see how this had reduced to less than a third. AF stated that the College’s teaching ratio was normal and this was not an issue the College needed to engage in. The Principal/CEO added that the teaching ratio in the College accounts showed that the College was in the bottom 25% in terms of target hours. Contact hours had only been raised as a concern once in all of the staff forums and a lot of teachers had talked about how the use of AI had reduced workloads.

	The Vice-Chair advised that the College needed to be mindful of the negative culture. The DPFR added that staff needed to be aware of the way teaching contracts were laid out. The majority of staff were not delivering over 36 weeks and the best achievable utilisation was c95% which needed to be considered. MM asked what were the strategic risks and what should the Board be looking out for. The DHR replied that the key concerns were sickness and employee retention and high absences in relation to mental health and stress. The DHR advised of the themes that had occurred from meetings with staff as follows: - Discussions broadly around employee experience - Feedback on work environment not being fit for purpose - Emotional complaints – linked to use of a specific room - Toilets - Safety – lot of work had taken place since the survey was issued – visibility of security staff - Lockdown drill highlighted vulnerability of some areas, trauma informed approach to be considered - Some staff feeling balance of power is towards students - Communication, staff InfoPoint - Staff want more focus on industry expertise and leadership and management in terms of training, use of AI, business support staff feeling left out - IT equipment It was noted that plans were in place to address all issues. MM noted that the risk level had been reduced in safeguarding but this was contradicted based on the feedback and suggested that the menopause policy include the term andropause in the title to ensure it was fully inclusive. The Principal/CEO advised that safeguarding concerns from staff tended to be historic concerns. Staff forums had been really helpful and after each meeting an action plan had been formulated to genuinely improve the employee experience. The Chair stated that it had been a challenging first academic year but the DHR and team had a great strategic overview and sense of prioritization – good progress had been made and thanks were recorded for all the hard work and effort. Agreed: that the current position be noted.
11.	Management accounts as at Period 9 including Financial Performance year to date and contribution rates The DPFR presented the management accounts highlighting the following: - Fluctuations coming through had reduced significantly - Slight improvement in position from previous month - EBITDA reduced slightly by £160K - Expected year end forecast linked mainly to the fact £856K of additional depreciation charge in year - Near enough to achieve the budget position for the end of the academic year In response to a query from the Chair, the DPFR confirmed that a figure had now been received regarding the insurance claim and this was being reviewed. MM questioned whether the deficit position was the starting point from August. The DPFR responded that the starting point was overall a positive contribution but the end position was negative mainly due to the depreciation charge. It was noted that the depreciation charge had increased in the budget for next year. The DPFR confirmed that the management accounts for period 10 would be issued to the Board the following week.

	Agreed: that the current position be noted.
12. Capital Projects Update including EV Workshop	The DPFR advised of the following: - EV workshop – nearing the point where the shell was completed to start internal works - Slightly under budget but delays to end of August may increase costs slightly - this would be presented at the July Board meeting. The Chair advised that the report to the Board needed to clearly set out any increase in costs. In response to a query from the Chair regarding the decarbonisation project, the DPFR advised that the works were out to tender and feedback from the DfE had advised that the College would be contacted to have a conversation around the PPA. This would be shared with the Board to agree – all monies spent were through the grant funding and not College money. Salix grant expires in 2026 but the College should be able to get most of the equipment purchased by the end of April 2026. The Chair stated that it was important that there was a clear understanding of the risks and liabilities for the PPA structure and this would need to be included on the risk register. The DPFR added that if the DfE provided funding to deliver then their terms could be a bit more rigorous whereas the PPA provided c£20K savings per annum on the utility costs. Agreed: that the current position be noted and further updates to be provided to the Committee and the Board at the appropriate times
13. Health & Safety Update	The Committee were informed that Health & Safety had been tightened up across the College to ensure equipment was up to standard and all relevant checks were completed in time MM asked for confirmation for Governors on what reassurance was in place and how this was assessed. The DPFR replied that the internal audit process identified the right processes in place and provided clear guidance. There were specific aspects linked to insurance to ensure the certification and approvals were in place to comply with legislative requirements. The Principal/CEO confirmed that she was the Chair of the Health & Safety Committee and the College had a link Governor for this area. Thanks were recorded to the Head of Health & Safety for the report. Agreed: that the position be noted.
14. Compliance against Financial Regulations	The DPFR advised: - Compliance remained high – some areas were not fully compliant but the Finance team were working with these teams to ensure compliance. The Procurement team were also addressing areas where there might not be the right information linked to the financial regulations. - Significant improvement had been made - previous key area was agency costs and this had now been tightened. Agreed: that the update be received.
15. ONS Re-classification – Overview of Financial Settlements 2024/25	The DPFR reported: - All settlements had been made in line with ONS requirements – approval not required

	- Made an ex gratia settlement linked to a tribunal case with full legal advice paid by the insurance company - All settlement agreements do not include NDA's - Training Union reps to understand their roles and how the settlement process works Agreed: that the update be received.
16.	AoB –Meeting Evaluation/Priorities for Next Meeting The Chair thanked all those in attendance for their contributions and to the officers for their reports. It was noted that the meeting had covered a lot of ground, very efficient in terms of running through the agenda items due to the quality of the reports and Committee members reading the papers ahead of time. A meeting evaluation form would be issued after the meeting,
17.	Date and time of next meeting – TBC

The meeting closed at 18.47pm.

Agenda Item	Action	Responsibility	Timescale	Update
5.	Risk appetite to be included on the agenda for the next Corporation Strategy Event.	CGO/DPFR	November 2025	Complete – included on the 2025/26 business schedule

Signed.....
(Chair)

Date.....