

Resources, Culture & Impact Committee MINUTES

Date	8 th February 2024	Time	15:00-17:00
Venue	EC205 – ECAT House, Eastbourne Campus		
Chair	Andy Davy		

Membership – Andy Davy (Committee Chair), Becky Cooke (Committee Vice Chair), Rebecca Conroy (CEO & Principal), Alexandra Cheeseman, Graham Cook, Ashley Heminway, Ian Mehrtens

In Attendance – Hannah Caldwell (Chief Operating Officer), Sam Brasier (Executive Director of Finance), Lauren Crawley (Director of People), Paul Rees (Finance Manager – Reporting), Belle Howard (Director of Governance – minutes)

Quorum: The meeting was quorate throughout.

Apologies: None.

#	Item	Action
1)	<p>WELCOME & APOLOGIES 14:57</p> <p>1.1 The Resources, Culture & Impact (RC&I) Committee Chair opened the meeting at 14:57 with a warm welcome to colleagues.</p> <p>1.2 There were no apologies as all participants were in attendance.</p> <p>1.3 The RC&I Committee Chair outlined the following key objectives for the meeting:</p> <ul style="list-style-type: none"> • To ensure that the work of the Committee had a direct impact on the College, in terms of the staff and student experience, as well as the effective management of resources. • To ensure robust monitoring and oversight of ongoing progress. • To ensure that the College remained compliant with any associated legal and statutory obligations. • To facilitate collaborative, open and transparent discussion. • To maintain confidentiality throughout. <p>1.4 The RC&I Committee Chair welcomed Paul Rees, Finance Manager – Reporting, to the meeting and participants introduced themselves.</p>	
2)	<p>DECLARATIONS OF INTEREST 14:58</p> <p>2.1 There were no new declarations of interest received.</p>	
3)	<p>MINUTES OF LAST MEETINGS & MATTERS ARISING 14:59</p> <p>3.1 Approval</p> <ul style="list-style-type: none"> • Governors considered the minutes of the last meeting on 30th November 2023. • Governors agreed that the minutes were a true and accurate record of what was discussed. 	

3.2 Matters Arising

- Governors noted that all actions had been completed, with the following additional comments or exceptions.
- **28th September 2023:**

Item	Owner	Action	Due Date
6.1.1	SB/HC	With input and support from the Student and Staff Governors on tone and message, present an update at the forthcoming round of Student Council meetings on the college's Financial Health Grade.	Pending – an update would be shared during the next round of Student Council meetings, which had been scheduled for 27 th -29 th February 2024. Student Governor RC&I Committee members would also be invited to attend.

30th November 2023

Item	Owner	Action	Due Date
4.1.2	SB	Update the RC&I Presentation slide related to 'Staff Recruitment' to include monitoring and oversight of cost savings that arose from current staff vacancies.	Pending – further clarity obtained re the level of detail required in reporting moving forward.
6.2.1	SB	Produce a variance analysis comparing the Month 12 management accounts and Year-End Financial Statements, with a view to share this with the RC&I Committee.	Complete – per Item 3.2
6.2.3	SB	Provide a variance analysis of the surplus position for 2021-22 vs 2022-23, with a view for this to be considered at the next meeting.	Complete – per Item 3.2

3.3 Variance Analysis – 2022-23 Financial Statements

- The Executive Director of Finance directed participants to the associated paper and shared a summary update on the key variances, both year on year, and in comparing the Month 12 forecast with the final year end position. Key variances were as follows:
 - **Pay Costs** – Overall, this was static when compared to 2021-22, though the variance was driven by an increase in restructuring costs in that period.
 - **Non-Pay Costs** – there had been a sizeable increase in utility costs year on year.
 - **Adult Education Budget (AEB)** – late completion of fieldwork had enabled a more comprehensive reconciliation of the AEB allocation, thereby presenting a clearer picture in the financial statements.
 - **EDF Project** – associated income and expenditure had been released relatively late into the annual accounts, which caused a sizeable variance.

	<ul style="list-style-type: none"> • The following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair expressed concern that there had been a significant variance between the Month 12 forecast and the final year end position, and asked – how could the reliability of forecasting be improved moving forward? The Chair of the Board reflected that a likely cause of this variance may have been driven by unrealistic budgeting in the first instance. The RC&I Chair emphasised the need to strengthen budgeting and forecasting processes moving forward. Governors agreed. 	
4)	<p>FINANCE UPDATE 15:08</p> <p>4.1 December 2023 Management Accounts & Budget Forecast</p> <ul style="list-style-type: none"> • Ahead of the meeting, Governors raised various detailed and strategic questions related to the Management Accounts, against which the Executive Director of Finance had provided comprehensive answers. A copy of these questions has been included in Appendix A. • The Executive Director of Finance presented the following Executive Summary update: <ul style="list-style-type: none"> ○ The current forecast surplus for the College was £2.89m, which was £1.77m more than the agreed budget. ○ Forecast income had increased by £2.8m compared to the budget, with the main movements due to: <ul style="list-style-type: none"> ▪ Increased 16-19 funding, via a revised allocation statement and in year funding of £3.1m. ▪ Reduction in expected apprenticeship delivery, partly sub-contracting of £0.4m. ▪ Reduction in HE delivery, partly sub-contracting of £0.4m. ▪ Increase in Other Income of £0.1m, mainly due to trips and visits. ○ Adult Education Budget – the College was expected to deliver against its current AEB funding allocation, which had increased due to rising demand in the English as a Second Language (ESOL) provision. ○ The main movements on expenditure were an increase in staffing costs of £0.3m and operational, administration and exam costs of £0.75m. The cash position at the end of December 2023 was £2.54m, with the College currently experiencing a period of low operational cash until April 2024. • The following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair asked – did the College need to establish a reserve, in the event of AEB funding clawback? The Executive Director of Finance advised that this was not currently necessary as the College expected to deliver against the current level of funding. However, this would be revisited during the next round of budget planning. ○ The RC&I Committee Chair asked – were staffing levels and costs being cut too aggressively? The CEO & Principal advised that recent growth in student numbers had been taken into account from a staff resourcing perspective. There had been additional investment into wellbeing support and consideration was being given to whether further investment may be needed. 	

- A Student Governor noted that a shortfall of English and Maths teachers had been noted, though reflected that this was likely driven by an unusually high number of new students who were retaking GCSE courses. Similarly, it had also been noted that Construction courses were currently under resourced at this time.
- The Director of People explained that work was currently underway to progress recruitment for English, Maths and Construction teaching staff, though the latter had historically been difficult to fill. As such, a Talent Specialist was currently leading a recruitment campaign in this area.

4.2 Key Performance Indicators

- The Executive Director of Finance shared the following update:
 - If all existing staff vacancies were filled, the College would exceed its current budget for staffing costs by 3.5%.
 - **‘Debt Service Cover’ and ‘Cash Days In Hand’** – these metrics were now comparatively stable and provided a meaningful barometer for the College, evidencing that the College continued to pay its suppliers in a timely fashion and managed its existing borrowing effectively.
 - **‘Covenants Met/Breached’** – the College remained on target to meet the terms of its covenants this year.
- The following discussion then occurred:
 - **The RC&I Committee Chair asked – was the College currently forecasting enough for staffing?** The Executive Director of Finance explained that further to the College’s recent increase in 16-18 funding, the *‘Staff Costs as a % of Turnover’* KPI metric of 65% was now more achievable. The Chief Operating Officer also advised that instances of underutilisation would be addressed prior to progressing with recruitment plans, as appropriate.
 - The Chair of the Board reflected that it would be prudent to raise an inter-committee referral to address the need to drive growth in recruitment and retention levels for the HE and Apprenticeship provisions. [Governors agreed.](#)
 - **Action 4.2.1 – Include an inter-committee referral item on the Curriculum, Skills & Quality Committee agenda titled ‘Recruitment & Retention for the HE and Apprenticeship Provisions’.** BH
 - **Action 4.2.2 – Relocate the ‘Covenants Met/Breached’ metric to the top of the KPI metrics table for the report at the next meeting.** SB

4.3 Financial Health

- The Executive Director of Finance shared the following update:
 - The College was currently trending towards a low ‘Good’ rating, which could be achieved through robust cost management and successful delivery against approved funding levels.

- The following discussion then occurred:
 - The Chief Operating Officer restated that following the covenant breach last year, the College had initially received a financial health grade of *'Inadequate'*. However, further to a recent moderation submission request, it was hoped that a final rating of *'Requires Improvement'* could be secured. **Governors thanked the Executive Team for ongoing efforts to progress this outcome.**
 - **'EBITDA as a % of Adjusted Income'** – in the last financial year, this metric had been significantly impacted following an asset sale in 2021-22, which had resulted in a £700K profit. It was anticipated that this metric would be much more stable moving forward.

4.4 Cashflow

- The Executive Director of Finance shared the following update:
 - The current cashflow position was expected to improve following a protracted period of repaying clawbacks and debt, as well as making payments related to ongoing project activity.
 - Additional AEB and 16-18 income totalling £1.3m was expected from March 2024, along with a further £170K-£200K every month through to the end of July 2023, thereby providing an ongoing buffer in operational cashflow moving forward.
- The following discussion then occurred:
 - **The RC&I Committee Chair reflected that the period between December to March was typically challenging for the College from an operational cashflow perspective and asked – could anything be done to smooth this moving forward?** The Executive Director of Finance advised that the recent decision by the ESFA to smooth funding payments to colleges had largely mitigated this issue, and the benefit of which would be felt by ESCG moving forward.
 - **The Chair of the Board asked – can you share more information on the ESFA's funding simplification model?** The Chief Operating Officer explained that the ESFA were currently leading a pilot project which would enable colleges to consolidate their funding into a single stream, whilst mirroring this with a simplified audit regime. To date, 40-50 colleges had applied to take part in the pilot, however the scope was being limited to just 8-10 colleges. ESCG had submitted an application, and a decision was still awaited.
 - **The Chair of the Board asked – did the College currently have a general contingency fund?** The Executive Director of Finance advised that it did not, but confirmed that this would be explored for the next academic year, with a view for this to include a contingency amount for known staff vacancies.
 - **The Vice Chair of the Board (Resources & Operations) asked – had utility cost savings been realised further to the previous Salix Ground Source Heat Pumps Project?** The Chief Operating Officer advised the College's kilowatt usage had decreased by approximately 10% between 2022 and 2023. However, due to the energy crisis in that period, the College experienced increased utility costs. Consequently, there had been targeted efforts to change behaviour in terms of energy usage and the use of buildings across each of the College's campuses.

	<p>This included closing buildings during holiday periods and consolidating staff onto specific sites as appropriate. As such, it had been difficult to unilaterally attribute reductions in usage directly to the Ground Source Heat Pump Project.</p> <ul style="list-style-type: none"> ○ The Chief Operating Officer advised that moving forward, a range of projects were planned, with a view to enhance the existing infrastructure so that benefits arising from the ground source heat pump functionality could be maximised, e.g. upgrades to boilers, building management systems and electricity substations. ○ The Chair of the Board asked – could a more in-depth update be provided to the RC&I Committee on the impact of the Salix Ground Source Heat Pump Project at a subsequent meeting? The Chief Operating Officer confirmed that this could be provided. <ul style="list-style-type: none"> ▪ Action 4.4.1 – Share a copy of the report that was submitted to SALIX related to the Ground Source Heat Pumps with the RC&I Committee. <ul style="list-style-type: none"> ● Governors thanked the Executive Director of Finance for a comprehensive update and the high quality of the associated papers. 	HC
5)	<p>FIVE YEAR FINANCIAL PLAN & BUDGET PLANNING UPDATE 15:33</p> <p>5.1 Revised Assumptions</p> <ul style="list-style-type: none"> ● The Executive Director of Finance directed participants to the associated paper and shared a summary update, noting revisions to the assumptions related to the following areas: <ul style="list-style-type: none"> ○ AEB funding allocations. ○ 16-18 funding allocations. ○ Staff pay award. ● The Executive Director of Finance also advised that moving forward, revisions to the Five-Year Financial Plan would be managed in conjunction with the budget setting process, which was due to conclude in the Summer Term. ● The following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair expressed concern regarding the cashflow projection, particularly with regards to operating cashflow, which was expected to move into a negative position in 2024-25. The Executive Director of Finance clarified that the net-cashflow projection reflected a positive position by end of year. Whilst the actual cash balance was expected to reduce to enable spend related to capital development works, the operational cashflow position had been projected to remain positive. ○ The RC&I Committee Chair asked – would it be possible for the cashflow projection to more clearly indicate both operational and non-operational cashflow? The Executive Director of Finance confirmed that this was feasible. <ul style="list-style-type: none"> ▪ Action 5.1.1 – Include a summary table in the Five-Year Financial Plan which specifically details both operational and non-operational cashflow. 	SB

	<ul style="list-style-type: none"> ○ The Chair of the Board asked – why had the income projection for Years 4 and 5 seen a significant increase? The Executive Director of Finance advised that this projection had been based upon local demographic data. ○ The Chair of the Board asked – was the demographic data that the income projection was based upon, sufficiently reliable? The CEO & Principal confirmed that the data was reliable, and the associated projection was in fact comparatively conservative. ○ The RC&I Committee Chair asked – had the assumptions associated with the draft Five-Year Financial plan appropriately taken inflation into consideration? The Executive Director of Finance confirmed that inflation had been factored in, along with appropriate projections related to increased pay costs. 	
6)	<p>PEOPLE SERVICES REPORT & DASHBOARD 15:46</p> <p>6.1 Key Performance Indicators</p> <ul style="list-style-type: none"> ● The Director of People directed participants to the associated paper and shared the following update: <ul style="list-style-type: none"> ○ A simplified report format had been adopted, following RC&I Committee feedback. ○ Several projects linked to the People & Culture Strategy had been successfully implemented, with a positive impact to key metrics. ○ Staff engagement with compulsory online training had increased by 9.2% to 91% overall, with Safeguarding & Prevent training completion now at 93%. Work was ongoing to drive increased completion rates, supported by a review of the methodology being used for this training moving forward, e.g. leveraging a greater use of face-to-face sessions and a redesign of course module content. ○ MyReview Performance Management – 53% of staff had completed their termly check-ins in Term 1, which represented a significant increase against the previous performance management model. ○ Staff Survey – a fully anonymised process had now been implemented, with a 54% response rate to date, which represented a significant increase against the prior year of 31%. Analysis of the survey results were currently underway, and a further update would be shared at the next meeting. ○ Staff Turnover & Absence – associated metrics had seen a notable reduction within the last reporting period. ○ Apprenticeship Levy – increase to 18.7% of the apprenticeship levy planned for deployment. ○ Legislation – there had been a significant amount of employment law legislative change in 2024, which the College was rapidly responding to in its policies and procedures. ○ Wellbeing at Work Award – the College had recently secured a Bronze Award for its wellbeing provision. Moving forward, the College would work towards a securing silver award. 	

- The following discussion then occurred:
 - **The RC&I Committee Chair asked – was the impact of the new MyReview performance management process being measured?** The Director of People advised that the output of staff check-in conversations were being utilised to gather training needs information, with a view to support ongoing learning and development. Additionally, work was underway to explore potential barriers to engagement with the new process.
 - **The RC&I Committee Chair asked – did student feedback form part of the performance management process?** The Director of People advised that student feedback related to the quality of teaching and learning was not directly linked to this process. However, student surveys were routinely conducted by the College and leveraged to assess the quality of the provision. The Director of People explained that the feasibility of 360° reviews were also currently being explored.
 - A Staff Governor reflected that on occasion, managers may struggle to find sufficient time to facilitate the MyReview Check-in process, particularly if they had a large number of staff directly reporting into them. That said, the new performance management process was significantly easier to facilitate and enabled the prompt resolution of performance related issues as they arose.
 - **The Vice Chair of the Board (Resources & Operations) asked – do sessional staff participate in the same performance management processes as permanent staff members?** The Director of People advised that a simpler and separate performance management process was currently in place for sessional staff members, i.e. conversations at the start and end of contracts, which may be managed in groups.
 - The CEO & Principal reflected that a key barrier to effective performance management processes arose when managers had a high number of direct reports. However, the College was actively working to ensure good levels of support for line managers, particularly through the simplified MyReview process.
 - Governors considered the relatively flat organisational structure at the College and noted the direct impact that this had on manager capacity for leading robust performance management processes. The CEO & Principal advised that this structure had arisen following a protracted period of funding cuts to management resources in recent years across the FE sector.
 - The Chair of the Board suggested that the College may benefit from increased use of peer review processes to support ongoing staff development moving forward.
 - **The RC&I Committee Vice Chair asked – what was driving the comparatively high levels of staff sickness absence at the Station Plaza, Hastings site?** The Director of People advised that a campus specific deep dive was planned to investigate this further, though noted that a key factor was likely the ongoing issues that had arisen from understaffing in the College’s Construction provision.

	<ul style="list-style-type: none"> ○ The RC&I Committee Chair noted that 25.6% of leavers had left the College with less than 1 years' service and asked – what was the cause of this? The Director of People advised that a project was currently underway to investigate this further, however noted that this was in line with the national picture across multiple sectors, particularly for younger members of staff. The College had recently launched MyWelcome, with a view to offer enhanced staff induction processes. Other priority focus areas included wellbeing, workload and staff development. ○ The Chair of the Board reflected that the new dashboard report format was both helpful and informative, particularly in terms of the inclusion of comparative Census data. Governors agreed. ○ The Chair of the Board asked – would it be possible to include additional comparisons against protected characteristics and other Diversity, Equity & Inclusion data points? The Director of People confirmed that this was feasible. <ul style="list-style-type: none"> ▪ Action 6.1.1 – Include additional comparative data related to protected characteristics and other Diversity, Equity & Inclusion areas in the next People & Culture Dashboard Report. 	LC
7)	<p>RC&I COMMITTEE STRATEGIC PRIORITIES</p> <p style="text-align: right;">16:05</p> <p>7.1 Progress Update</p> <ul style="list-style-type: none"> ● The Executive Director of Finance and Director of People presented and update on the following strategic priority areas: <ul style="list-style-type: none"> ○ Performance Management – maximising value from staff pay & ensuring excellent student achievement and experience. ○ Reward & Recognition – ensuring pay, reward & recognition were fair, competitive and maximised the retention of staff. ○ Staff Recruitment – attracting high quality talent at minimum cost, with minimal impact on student learning. ○ Control of Staff Costs – having an accurate establishment and monitoring spend against this to ensure compliance. ● The following discussion then occurred: <ul style="list-style-type: none"> ○ The RC&I Committee Chair asked – was specific training provided to Business Partner resources? The Executive Director of Finance advised that Business Partners received specific training on relationship management. The Director of People also explained that Business Partners were able to participate in management development training as part of the induction process. ○ The Director of People advised that there were currently two Business Partners from People Services, who were responsible for managing relationships across each of the three main campuses. The Executive Director of Finance advised that joint Finance and People Services Business Partner planning meetings were also being scheduled moving forwards. 	

	<ul style="list-style-type: none"> ○ The Vice Chair of the Board (Resources & Operations) reflected on the need to educate younger staff members on the importance of their pension contributions and associated benefits from the College. Governors agreed. ○ The Chair of the Board considered the College’s social media channels and how these were being utilised by the Talent Specialist to promote current vacancies. Moving forward, it would also be important to supplement social media feeds with more general information about the College, and thereby support a broader marketing and communication strategy. Governors agreed. <p>Graham Cook temporarily left the meeting at 16:26.</p> <ul style="list-style-type: none"> ○ The RC&I Committee Chair asked – how was performance management tracked and managed for underperforming members of staff? The Director of People advised that this was tracked via existing HR systems. Business Partners also supported managers as appropriate to ensure robust monitoring and oversight. The Chief Operating Officer reflected on the limited capacity of People Services, though advice and guidance continued to be provided to leaders as needed. ○ The Chair of the Board asked – how were more complex performance management issues addressed by the College? The Chief Operating Officer advised that the College was able to buy-in specialist resource support, if needed. 	
8)	<p>ENVIRONMENTAL, SOCIAL & GOVERNANCE STATEMENT 16:29</p> <p>8.1 Action Plan & Progress Update</p> <ul style="list-style-type: none"> ● The CEO & Principal shared the following update: <ul style="list-style-type: none"> ○ An Environmental, Social & Governance Statement was originally introduced at the College in 2022-23. ○ Moving forward, this would be incorporated as part of the refresh of the Strategic Plan, with a view to assess the impact on the local communities that the College served. 	
9)	<p>CAPITAL DEVELOPMENT PROGRAMME UPDATE 16:31</p> <p>9.1 Financial Impacts</p> <ul style="list-style-type: none"> ● The Chief Operating Officer shared the following update: <ul style="list-style-type: none"> ○ Estate Transformation Programme: <ul style="list-style-type: none"> ▪ Approval had been secured from the DfE to enable the College to leverage its capital funding to progress existing capital development projects. As such, a plan had been submitted to the DfE to outline how these funds would be utilised, which would include enhancements to the College’s digital infrastructure. ▪ Work was underway with Commercial Advisors, Avison Young, ahead of eventually appointing a Development Partner, with a particular emphasis on ensuring value for money. In view of the Managing Public Money requirements related to novel transactions, discussion was underway with the DfE to determine whether further approval would be required. 	

	<ul style="list-style-type: none"> ○ Other Projects: <ul style="list-style-type: none"> ▪ Hastings Town Deal (Green Centre of Excellence) and Institute of Technology projects were both grant funded. ▪ Consequently, 5% of the total funding had been released upfront to enable initiation of the works, with any additional costs to be paid on an accrual basis. ▪ Local Skills Improvement Fund (LSIF) Project – funding was also being accessed on a quarterly accrual basis. ▪ Due to the complex nature of these funding arrangements, a detailed plan was being developed to ensure effective cashflow management, moving forward. <p>9.2 People Impacts</p> <ul style="list-style-type: none"> • The Chief Operating Officer shared the following update: <ul style="list-style-type: none"> ○ Communications Strategy – engagement would initially focus on the ongoing space needs assessment activity and physical resourcing requirements. A Communications Strategy & Framework was currently being developed and a further update would be shared at the next Capital Development Board meeting. • Governors reflected on the need to ensure effective student engagement as a key element of the Communications Strategy. 	
10)	<p>GOVERNANCE MATTERS</p> <p style="text-align: right;">16:39</p> <p>10.1 Governance Improvement Plan – Progress & Oversight</p> <ul style="list-style-type: none"> • The Director of Governance shared the following update: <ul style="list-style-type: none"> ○ The Governance Improvement Plan for 2023-24 included a new objective related to Strategic Focus, for which the RC&I Committee had shared oversight responsibility with the Board. ○ Key deliverables included establishing a Five-Year Financial Plan and refreshing the ESCG Strategic Plan. ○ The proposed Amber RAG rating had been driven by extended delays in the Five-Year Financial Strategy being finalised and subsequently approved by the Board. • The following discussion then occurred: <ul style="list-style-type: none"> ○ The Chair of the Board suggested that the RAG rating for ‘Strategic Focus’ should be amended to ‘Green/Amber’, further to the extensive work already undertaken to develop a draft Five Year Financial Plan. Governors agreed. ○ The Chief Operating Officer reflected on the ‘Substantial Assurance’ audit opinion from Internal Audit, following the recent Long Term Financial Planning Audit and suggested that the commentary in the Governance Improvement Plan should reference this. Governors agreed. 	

	<ul style="list-style-type: none"> ▪ Action 10.1.1 – Update the Governance Improvement Plan to incorporate the requested amendments detailed in section 10.1 of the minutes. <p>Graham Cook returned to the meeting at 16:43.</p>	BH
Policy Review		
11)	<p>POLICIES & KEY DOCUMENTS 16:43</p> <p>11.1 Cash Management Policy</p> <ul style="list-style-type: none"> • Governors noted that this policy was jointly reviewed with the ARaC Committee. • Governors debated the appropriate minimum cash level, with consideration given as to whether ‘X cash days in hand’ should be adopted rather than a specific cash value. • As this policy had been reviewed multiple times by the ARaC and RC&I Committees, Governors agreed that an alignment discussion between the RC&I and ARaC Committee Chairs, along with the Chief Operating Officer and Executive Director of Finance should be scheduled to confirm an appropriate minimum cash level moving forward. <ul style="list-style-type: none"> ○ Action 11.1.1 – Meet with the ARaC & RC&I Committee Chairs to align on an appropriate minimum cash level in the Cash Management Policy. • RESOLUTION – The RC&I Committee agreed to recommend the Cash Management Policy to the Board for approval, subject to an appropriate minimum cash level being agreed. <p>11.2 Diversity, Equity & Inclusion Policy</p> <ul style="list-style-type: none"> • Governors noted that this policy was jointly reviewed with the CS&Q Committee. There were no questions from Governors. • RESOLUTION – The RC&I Committee agreed to recommend the Diversity, Equity & Inclusion Policy to the Board for approval. <p>11.3 Health, Safety & Welfare Policy</p> <ul style="list-style-type: none"> • Governors noted that this policy was jointly reviewed with the ARaC Committee. There were no questions from Governors. • RESOLUTION – The RC&I Committee agreed to recommend the Health, Safety & Welfare Policy to the Board for approval. <p>11.4 Staff & Governor Expenses Policy</p> <ul style="list-style-type: none"> • There were no questions from Governors. • RESOLUTION – The RC&I Committee agreed to recommend the Staff & Governor Expenses Policy to the Board for approval. <p>11.5 Tuition & Fees Policy</p> <ul style="list-style-type: none"> • There were no questions from Governors. • RESOLUTION – The RC&I Committee agreed to recommend the Tuition & Fees Policy to the Board for approval. 	RC/SB

Close																																
12)	<p>ANY OTHER BUSINESS</p> <p>12.1 The following discussion then occurred:</p> <ul style="list-style-type: none"> • The RC&I Committee Chair noted the following priority discussion points that had arisen during the meeting: <ul style="list-style-type: none"> ○ The need for greater accuracy in forecasting. ○ The need for robust monitoring and oversight of cashflow. ○ The ongoing priorities of recruitment and performance management. ○ The need for effective communication and engagement with staff and students in relation to the Capital Development Programme. • The Chair of the Board reflected on the broader scope of the RC&I Committee and noted the need to ensure effective monitoring and oversight of ‘impact’, particularly with regards to the local communities that the College served. Governors agreed. <ul style="list-style-type: none"> ○ Action 12.1.1 – Consider how best to measure the College’s impact on the broader communities that it served. 	16:53																														
	BC/IM/ AC/AH																															
13)	<p>DATE OF NEXT MEETING</p> <p>13.1 Governors noted that the next meeting had been scheduled for 20th June 2024, 15:00-17:00, which would be an in person meeting.</p>	16:58																														
14)	<p>LIVE COMMITTEE SELF-ASSESSMENT</p> <p>14.1 Five responses were received from Governors, live via a Google Form as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070c0; color: white;"> <th>#</th> <th>ASSESSMENT QUESTION</th> <th>RESULT</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Was the agenda sufficiently balanced between core governance business and strategic priorities?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>2.</td> <td>Were the papers succinct, with clarity in the information being communicated and the action required by Governors?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>3.</td> <td>Did you have all the information you needed to fully participate in discussion and decisions?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>4.</td> <td>Was there sufficient time to debate priority items in depth?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>5.</td> <td>Were you satisfied that decisions were arrived at in a proper manner?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>6.</td> <td>Was the student experience at the heart of decision making?</td> <td style="color: green; text-align: center;">80%</td> </tr> <tr> <td>7.</td> <td>Did the Chair facilitate the meeting effectively, enabling adequate focus on strategic priorities and creating an environment where a range of perspectives were considered?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>8.</td> <td>Were opportunities created to invite input from Student and Staff Governors?</td> <td style="color: green; text-align: center;">100%</td> </tr> <tr> <td>9.</td> <td>Any comments or suggestions?</td> <td style="text-align: center;">None</td> </tr> </tbody> </table>	#	ASSESSMENT QUESTION	RESULT	1.	Was the agenda sufficiently balanced between core governance business and strategic priorities?	100%	2.	Were the papers succinct, with clarity in the information being communicated and the action required by Governors?	100%	3.	Did you have all the information you needed to fully participate in discussion and decisions?	100%	4.	Was there sufficient time to debate priority items in depth?	100%	5.	Were you satisfied that decisions were arrived at in a proper manner?	100%	6.	Was the student experience at the heart of decision making?	80%	7.	Did the Chair facilitate the meeting effectively, enabling adequate focus on strategic priorities and creating an environment where a range of perspectives were considered?	100%	8.	Were opportunities created to invite input from Student and Staff Governors?	100%	9.	Any comments or suggestions?	None	16:59
#	ASSESSMENT QUESTION	RESULT																														
1.	Was the agenda sufficiently balanced between core governance business and strategic priorities?	100%																														
2.	Were the papers succinct, with clarity in the information being communicated and the action required by Governors?	100%																														
3.	Did you have all the information you needed to fully participate in discussion and decisions?	100%																														
4.	Was there sufficient time to debate priority items in depth?	100%																														
5.	Were you satisfied that decisions were arrived at in a proper manner?	100%																														
6.	Was the student experience at the heart of decision making?	80%																														
7.	Did the Chair facilitate the meeting effectively, enabling adequate focus on strategic priorities and creating an environment where a range of perspectives were considered?	100%																														
8.	Were opportunities created to invite input from Student and Staff Governors?	100%																														
9.	Any comments or suggestions?	None																														
15)	<p>CLOSE</p> <p>15.1 The meeting closed at 17:00.</p>	17:00																														

Action Summary

Item	Owner	Action	Due Date
4.2.1	BH	Include an inter-committee referral item on the Curriculum, Skills & Quality Committee agenda titled 'Recruitment & Retention for the HE and Apprenticeship Provisions'.	Complete
4.2.2	SB	Relocate the 'Covenants Met/Breached' metric to the top of the KPI metrics table for the report at the next meeting.	20 th June 2024
4.4.1	HC	Share a copy of the report that was submitted to SALIX related to the Ground Source Heat Pumps with the RC&I Committee.	20 th June 2024
5.1.1	SB	Include a summary table in the Five-Year Financial Plan which specifically details both operational and non-operational cashflow.	20 th June 2024
6.1.1	LC	Include additional comparative data related to protected characteristics and other Diversity, Equity & Inclusion areas in the next People & Culture Dashboard Report.	20 th June 2024
10.1.1	BH	Update the Governance Improvement Plan to incorporate the requested amendments detailed in section 10.1 of the minutes.	Complete
11.1.1	SB/HC	Meet with the ARaC & RC&I Committee Chairs to align on an appropriate minimum cash level in the Cash Management Policy.	7 th March 2024
12.1.1	BC/IM/ AH/AC	Consider how best to measure the College's impact on the broader communities that it served.	20 th June 2024

Appendix A: Management Accounts (December 2023) – Governor Questions & Answers

Detailed Governor Questions

- **Can we breakdown the overspend on staff costs. Need to know how much is due to 1.5% pay rise, how much due to extra student numbers and if there is any overspend outside of this.**
 - Overall, the additional 1.5% unbudgeted pay award has a cost of £0.3m so in line with the full year forecast variance. The forecast variance itself is made up of a number of things contributing the overall position:
 - i. Increased 1.5% Pay Award
 - ii. Job evaluation outcomes
 - iii. Pressure on Curriculum with increased students (16-18)
 - iv. Pressure on Student Support with increased students
 - v. Varied premium costs for hard to fill vacancies (Agency)
 - vi. Varied vacancy rate factor
 - A breakdown of Year to Date (account level) indicates a variance in teaching costs which largely supports the cost of delivering increased student numbers.

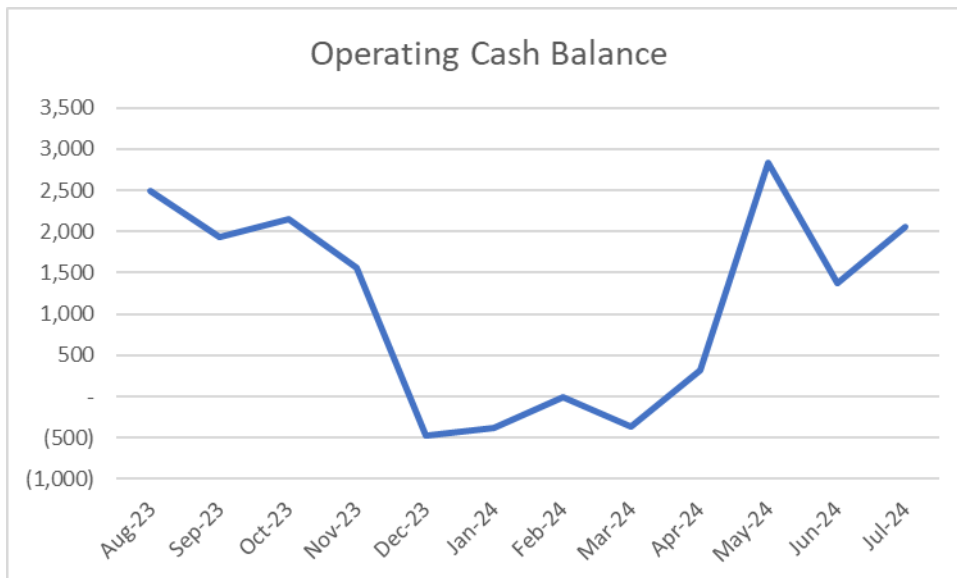
	YEAR TO DATE		
	BUDGET	ACTUAL	VARIANCE
Teaching Staff	£7,531,997	£7,866,040	-£334,043
Teaching Staff (Full Time)	£5,154,705	£5,082,960	£71,746
Teaching Staff (Part Time - sessional and assessors)	£1,684,727	£1,921,650	-£236,922
Sessional Teaching Staff	£387,733	£243,530	£144,203
Teaching Agency Staff	£41,667	£310,198	-£268,532
Teaching Costs - Sessional & Self-Employed	£49,478	£99,418	-£49,940
External Tuition and Assessor Fees - Subcontracting	£213,687	£208,285	£5,402
Teaching & Other Support Staff	£1,901,675	£1,921,897	-£20,222
Teaching and Other Staff	£1,901,675	£1,921,897	-£20,222
Admin Inc. Operational & Maintenance Staff	£2,617,988	£2,568,384	£49,604
Administration Staff	£2,158,432	£2,155,211	£3,221
Non-Teaching Agency Staff	£0	£0	£0
Operational Staff	£65,603	£28,077	£37,526
Maintenance Staff	£393,952	£385,096	£8,856
Other staff inc. Levy	£906,626	£941,957	-£35,331
Catering, Residences and Conference Staff	£237,172	£240,363	-£3,191
Other Income Generating Activities Staff	£58,371	£52,697	£5,674
Apprenticeship Levy	£0	£43,001	-£43,001
Other Staff	£611,083	£603,594	£7,489
Redundancy	£0	£2,302	-£2,302
Severance	£0	£0	£0
Pension Strain Costs	£0	£0	£0
TOTAL PAY	£12,958,286	£13,298,278	-£339,992

- **Forecast on staff costs shows an improving position - is this realistic?**

- Please see narrative above. It is a realistic position but not without risk as is reliant on the level of vacancies and reducing premium costs for hard to fill areas. There will likely be some reliance on reducing/limiting costs associated to areas where income is at risk.

- **Can we have a graph showing JUST operating cash flow.**

- Below is a basic graph showing just operating cash flow though there is no plans as yet to vary the management accounts to include this.
- It is worth noting that the 23/24 cash flow includes increased in year funding forecast to be paid to the college Quarter 3 & 4. If this increase is included in the funding allocation for 2024/25 the line would be smoother with equal payments over the 12 months.



- **How can we better phase our operating cashflow to avoid going into negative operating cash flow. Currently we are "borrowing" against capital in some months (Dec, Jan Mar etc)**

- See the narrative above. Confirmation of increased funding in line with increased students for 24/25 will improve the profiling of when the College receives its money and help stabilise operational cash.

- **What is the reality of actually hitting the revised £3.9M apprenticeship income?**

- There is a risk against this income partly due to the way in which it works. Apprenticeships are a rolling cohort with funding reliant on when students start, remaining on programme and funding linked to achievement at the end of the programme. Overall, as well at £3.9m the current forecast is in excess of the 22/23 delivery of c£3.6m.

- **If HE/ALL income is paid in known tranches, is it actually debt?**

- Based on the premise all fees are captured at the start of the course yes it is but with 3 "guaranteed" payment dates (for HE). If the student does not get a loan for whatever reason the debt falls to them. The debtors table in the management accounts could be revised to make clearer. HE/ALL will remain as debt for balance sheet purposes until paid.

- **5 Income - ALL and HE**

- I note that the Level 5 Diploma in Education has reverted back to SIRM subcontractor. I couldn't tell if this was a change of sub-contractor or if this was an increase in sub-contracting. If it is the latter, then what does this do to the % sub-contracting?
- This is not a change in sub contractor. The provision of the Level 5 Diploma has reverted back to the existing sub contractor as part of their delivery. This is no longer part of the ESCG delivery and therefore both income and associated costs have been removed from the forecast.

- **7 Non-Pay**

- I note that electricity costs exposure has been increased because of a potential change of supplier. We have been awaiting a review on the positive impact of the works undertaken under Salix funding on our costs. Has this been done yet? If not, when can we expect to see this?
- Latest data from our energy supplier shows that electricity usage reduced by 9.76% in the 2023 calendar year when compared to 2022. This is likely to be a combination of changes in behaviour and building usage (including decisions taken to limit the number of buildings open during holiday periods) alongside initial benefits from the new ground and air source heat pumps.
- However, we have experienced some challenges in the operation of the heat pumps due to the retrofitting of new technology within an aged infrastructure and it is anticipated that further savings can be achieved. The application for SALIX funding assumed that the ground and air source heat pumps would be fitted alongside the Estates Transformation Programme allowing for full replacement of existing systems to facilitate the new technology. As the two projects have not been delivered simultaneously, further investment will be required ahead of delivery of the Estates Transformation Programme to maximise the benefits of the heat pumps.
- We are working with OHM energy to identify what further investment is required and understand that other colleges are experiencing similar challenges. It is anticipated that we will fund any additional works required from the DfE Energy Efficiency Allocation in the first instance. This is likely to include replacement boilers, mechanical upgrades, installation and upgrades of building management systems and upgrades to electrical substations.